THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established In 1917

January 10, 1948

NEW TRENDS IN THE WAR

AN EDITORIAL

American Aid: To What Avail?

Chin Fung

Two Families Of Batavia

Walter Briggs

The Japanese Textile Riddle

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AMERICAN IMPERIALISM???

AN EDITORIAL

VOLUME 108 CNC$20,000 NUMBER 6

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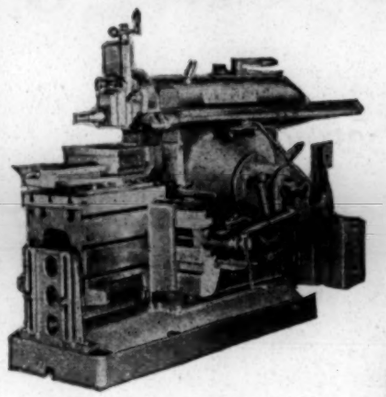

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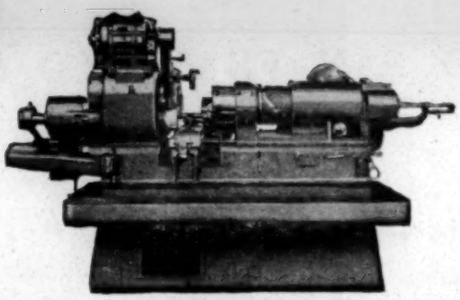

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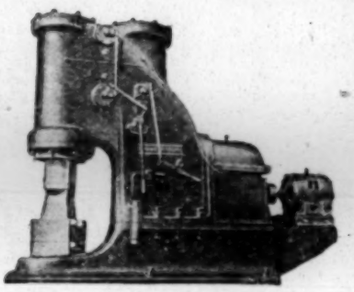

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LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.

Who Benefits?

To The Editor:

On December 30, the local *Shun Pao* published the following news:

"A refugee named Oong was caught and sent to the Winter Relief Camp. He had six children at home, of whom two died of starvation..."

I wonder what the Winter Relief Camp is meant for? Is it going to benefit or to penalize the refugees? Who is running the Camp? Are they not killers? Why do they force the suffering people to separate from their families? Is that for a better looking city? For showing the good condition of our country at Civil War? Or for collecting and pocketing more Camp funds? Under which law do the city police catch these poor people?

There is another municipal agency called "Chee Liang Shu" doing the same job. It is a women's relief house in name but a prison in reality. Women sent there are forced to stay for an unknown period. Recently four "relieved" women charged with burning the house and trying to escape, were sentenced to four years' imprisonment. I doubt that the court has ever studied how the "relief" house has treated the women.

ANTI-TOTALITARIAN.

Shanghai,
December 30, 1947.

Too Much Trouble

To The Editor:

Is the State Council a legistative body? Certainly not. Why then, can it authorize the Executive Yuan to announce increases in postal rates without the approval of the Legislative Yuan?

Personally, I agree with the increases, but I strongly object to the illegal practice of by-passing the legislative machinery by means of administrative orders.

It is most unfortunate that in a "constitutional" China we find such utter confusion between administrative orders and laws.

According to the Vice-President of the Executive Yuan, it would have been "too much trouble" to obtain the approval of the Legislative Yuan.

May I ask, "Can we *lao pai hsing* refrain from abiding by the law on grounds that it would be 'too much trouble?'"

PUZZLED.

Shanghai,
December 31, 1947.

Another Disappearance

To The Editor:

Teng Ying, a sophomore student of the Accounting Department of the Soochow University Law School, was arrested on December 24 by some unidentified people. Mr. Teng was on his way back from a printing house in west Shanghai bringing with him 1,000 mimeographed copies of "Soochow University News" which he had collected that afternoon on behalf of the Students' Self-Governing Body.

It is a great surprise to all the students in this school, for Mr. Teng is

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known as a simple and honest student, never prying into political affairs, and the "Soochow University News" chiefly deals with the activities in the school and has no political color, a fact which can be proved by reading the back numbers.

At the time of implementing the constitution, the Government should not infringe upon human rights, but instead it should guarantee freedom of speech and the security of the people so as to build the basis for rule by law.

Knowing your magazine believes in justice, we hope you will support our struggle for protection of human rights.

THE STUDENTS SELF-GOVERNING BODY OF THE SOOCHOW UNIVERSITY LAW SCHOOL.

Shanghai,
December 30, 1947.

Feng Criticized

To The Editor:

From a camp cook or a fireman, the Christian General, Feng Yu-hsiang, has become now a famous figure, second to none in North China. He also succeeded in notorious treacheries against the late Marshal Wu Pei-fu in the past, and today, against our President Chiang Kai-Shek.

He is shrewd, two-faced and sadistic. No sooner had he turned his gun from the late Marshal Chang Tso-lin toward Wu Pei-fu in 1917, than a part of his Northwestern troops under General Sun Tien-ying raided Peking. The historic Purple Palace was thereby violently looted; so was Empress Tsu Hsi's tomb in which numerous valuable curios were kept. The plunder was unprecedented, and doubtlessly Feng took the main part in its perpetration.

It is said that in order to win the hearts of his soldiers, Feng used to wear and eat the same stuff as his boys did. But some old Fengists said that while wearing the same suits every soldier put on, Feng wore foreign-made linings inside and following each meal shared with his boys, he ate another private meal in his room, comprised of shark fins, monkey brain, etc.

Now as a government official and with a grant of US$130,000, he is criticizing his government in the United States, paying no attention to the Chinese Embassy in Washington announcing that his mission ends on January 1, 1948. Apparently he will go on staying in America and, as Mr. Walter Judd said, go on making "violent untruthful attacks" upon our government.

JUNKER CHANG.

Nanking,
December 29, 1947.

Present Trend

To The Editor:

Surely the present trends in the world may be called nefariously wicked. If a man is a Communist, he labels all his opponents and those with whom he disagrees as "fascists." If he is a fascist, then all with whom he dissents are crowned with the "red-cap." Mr. Yu Tze-san's death in Hangchow recently was caused by his being "red-capped" by the Chekiang High Court.

The *Review*, for long eulogized as the most righteous and unbiased paper in the East, is now labeled a "Communist leaflet." Who would believe it? But in your November 29 issue, I found a Sinkiang man calling it just that.

This stirs me profoundly and leads me to wonder how far these base slanders will go.

WAN TIEN-PEI.

Chungking, Szechuen,
December 28, 1947.

The Students' Year

To The Editor:

The Chinese students have achieved glorious deeds in the year of 1947.

With increased persistence and vigor, we struggled against the Chinese reactionaries as well as the American imperialists who support the Chinese Civil War, dictatorship, treason and slavery. We also fought for the right to study, for democracy and peace in our country, for freedom, security and a better life for all the Chinese people and for the basic rights everyone in a democratic country should enjoy. But for all this, we have paid with our blood: three students in Wuhan University, Yu Tse-shan of Chekiang University and the chairman of the Wenchow Students' Union have died, and many students have been expelled from the school, mercilessly beaten, insulted, arrested and compelled to wander in the streets.

The reactionaries dream of eliminating the increasing power of the Chinese people by the Civil War and dictatorship so as to oppress and enslave the poor people forever. They shamelessly cooperate with the American imperialists to fight against the Chinese people; they squeeze and exploit the Chinese people and oppress the mass movements. Meantime, however, they try to hide their reign of terror and cheat the people of China as well as the whole world by news censorship. They have twisted all the facts by calling the National Assembly and passing the "new constitution." They declared a "General Mobilization Order" which was not issued even during the War of Resistance against the national enemy, the Japanese imperialists. All these reactionary measures have brought the Chinese people unprecedented misery — ceaseless soaring of commodity prices, the breaking down of Chinese industry and business, the bankruptcy of agriculture, the problem of unemployment, conscription and high taxation etc.

For their existence, the people have been forced to unite and struggle; movements were started one after another in the areas controlled by the reactionaries.

We students have been standing at the front line as the people's pioneers. In January, 1947, we launched the campaign protesting against the atrocities of American troops in China; in May, the Anti-Hunger, Anti-Civil War movements; in the summer, the movement for going to the country; in October, the movement for protection of human rights. Aside from these nationwide political movements, there were the Students' Aid Campaign and the Winter Relief Campaign. These actions have taught us that the reactionaries will never voluntarily solve our problems for us. The only dependable and reliable power is our unity. But the students alone cannot solve the problem; we must unite closely with the people.

Fellow students, let us greet 1948 with more energy and will to keep on fighting and to do more than we have done in the past year.

THE NATIONAL STUDENTS' FEDERATION OF CHINA.

Shanghai,
January 1, 1948.

Moving History

To The Editor:

Chung Cheng Medical College was established on 1937 in eastern Nanchang, with Wang Tse-kan as its president. But the school's buildings were not completed when the war against Japan broke out. Shanghai was occupied, Nanchang was bombed by the Japs; the college was moved to Kian and then to Yunshin in January, 1938.

With the fall of Wuhan and Canton to the Japs, the school was removed to Kunming, Yunnan, in November, 1938. After one year and a half, it was moved again to Chenglin, Kweichow. There is no need to say how the members of the college suffered from this moving around. There is a proverb "Three moves are as bad as a fire."

In 1941, the college was ordered to move back to Kiangsi; the senior students worked at Taiho and the junior ones studied at Yunshin.

In 1944, the Japs launched an attack on Changsha again; Henyang and Kweilin fell to the enemy and Western Kiangsi was also under fire. In January, 1945, the college was forced to move to Changting, Fukien, because of the fall of Kanhsien.

It was not till the surrender of Japan that the school was eventually moved back to Nanchang.

Now 10 years have passed since the founding of this college. Looking back at its history—its many moves, the hardships endured by both the professors and students and its present situation, hampered by lack of funds, books and equipment, etc.—I hope earnestly that the Civil War will soon come to an end, and that every Chinese will sincerely cooperate to develop the medical profession by the construction of hospitals, training of doctors and nurses and many other related activities.

WILLIAM KUO.

Nanchang, Kiangsi,
December 27, 1947.

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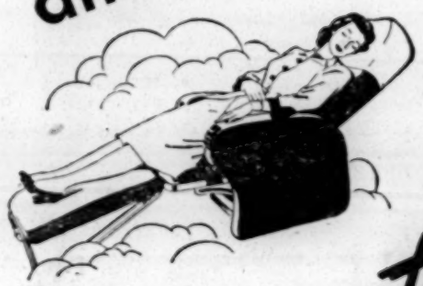

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CGIO Query

To The Editor:

In the latest issue of your *Review* (Volume 108, No. 4, Dec. 27), there is an editorial commenting on the newsprint allotment issue between the two local foreign-owned newspapers and the newspaper publishers Guild. Inter alia, there is the following paragraph which I am quoting in full:

"Still another matter which should be looked into is just how much newsprint the Government Information Office receives out of each allotment by the import board. While we do not have up-to-date information on this matter, we definitely know that up to a few months ago at least, the GIO received a substantial quantity of newsprint regularly. What does the GIO do with this newsprint? Does it use it for filling out the needs of government papers?"

It seems strange that in a matter so closely concerning our office, neither our Nanking staff nor our Shanghai staff nor our staffs in other places in and outside of China, have any even remote idea about it. As you seem to be so definitely sure of the fact mentioned in the above quoted paragraph, would you be so kind as to furnish us with more details? We shall be very pleased to obtain as much information as possible on this matter.

JIMMY WEI,
Chinese Government
Information Office.

Shanghai,
December 29, 1947.

Bad Imitation

To The Editor:

Your editorial, "Lethargy In Elections," in the November 15 issue of the *Review*, made me grieve on the one hand, while it made me very happy, on the other. I regret that on such an important occasion our people remained so indifferent and apathetic. But I felt pleased with your reference to Mr. Wu Chih-hui's satirical humor on the "election catastrophe" of 1936. I remember Dr. Sun Yat-sen's complaint about our members of parliament at the beginning of the Republic, when he said, "Since our revolution, we have been trying to imitate the West. As European and American democracies have only reached the state of representative government, we also adopted the representative form of government with the hope of keeping abreast of the West. Instead of gaining the advantages of this form of government, however, we reaped all its disadvantages...The members of our parliament were so mean and rotten that they sold themselves for money. This queer phenomenon of the representative form of government is the result of our mistake in imitating foreigners. As Western nations have not yet solved the problem of democracy, we should imitate them with discretion."

I only wish the government would follow your advice, and instead of having these useless and expensive general elections, give the people more freedom of speech and listen more attentively to their complaints.

TSAI HSIN-JEN.

Chengtu, Szechuen,
December 26, 1947.

Back To Nature

To The Editor:

Many people realize that the *Review's* policy is based on righteousness and justice and works earnestly for peace, unification and prosperity in China.

However, we know that there are few men in the world who love, and at the same time recognize the bad qualities in the object of their love, or who hate and yet know the virtues of the object of their hatred. For instance, regarding China's administration, many people detest its inefficiency, corruption, brutality, nepotism, inflation and Civil War, yet within the Government there are such men as Mr. Wang Yun-wu, a good and learned man. Any Government which has a few such men still has hope and does not deserve complete denunciation. Don't you think so?

I was very sorry to read D. Y. Lanne's letter, "New Platform," in your November 29 issue, as it showed the writer to be an ignorant and preposterous person. He loves, and yet at the same time refuses to realize the bad qualities of the object of his love, nor does he recognize the excellent qualities of the object of his scorn.

D. Y. Lanne has said that the contemplation of beauty is a state of mind related to the love of truth. I wish to say that this mean fellow does not know the meaning of beauty and truth. Many people have said that we must go back to nature for the eternal source of beauty, truth and deep and lasting happiness. If so, I wish to ask which is the more natural, straight hair or curled? A woman's breasts with a brassiere or without? Again, if there were no women, how could D. Y. Lanne have come into the world?

Another letter in the same issue, "Equality In Education," was much better. It suggested that the Government establish schools in rural districts, giving equal educational rights to both sexes. I am in favor of that suggestion, as our children often spend more time with their mother than their father. If mothers are sufficiently educated to give their children the basis of an education, we may have finer citizens in future generations. Besides, if we have a virtuous wife to work and study with us, we don't want her to have curled hair or to use a brassiere.

CHANG TEN-SHO.

Chengtu, Szechuen,
December 29, 1947.

NOTICE

THE *China Weekly Review* will not publish anonymous letters in these columns. Every letter intended for publication must bear the writer's NAME and ADDRESS, for the information of the editors. In cases of group petitions, statements or announcements, the letter must be signed by a responsible official or delegate, likewise for the information of the *Review*. If it is specifically pointed out that the author wishes to have his letter published under an assumed name, or his initials, this will be complied with, and his identity will not be divulged. However, in all instances, the *Review* must be aware of the identity of the writer if he expects to see his communication appearing in these columns.—*EDITOR.*

Not All Reds

To The Editor:

Your editorial entitled "Red-Baiting—A Dangerous Game" in the December 13 issue of the *Review*, is greatly appreciated by me. You have said what I wanted to say and have pointed out the unmerited method taken by the government authorities in dealing with the late mass movements. As a matter of fact, the present Government is corrupt, inefficient and incompetent. The Chinese people, especially the educated ones, who are

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patriotic and intent on strengthening their country, earnestly hope to see their government become incorrupt, efficient and competent. But they are not Communists, nor Communists lovers. Their feeling is merely anti-corruption, anti-inefficiency, and anti-nepotism. They point out directly and bravely what's wrong with the Government because they still wish to support the Government. If our Government is wise and really means business, it should take their suggestions into consideration instead of charging them with being utilized by the Communists or being Communists' sympathizers, so to conceal its own humiliation and dishonesty.

CHAO HSUN-CHUAN.

Tsingtao, Shantung,
December 24, 1947.

Fishy Scandal

To The Editor:

Despite a good deal of comment on what has come to be referred to as the "fish scandal," it is quite apparent that the government is determined not to interfere in the glaring abuse of foreign-donated vessels to aid in China's rehabilitation. The visit of an official of the Ministry of Agriculture and Forestry to Shanghai has apparently had no effect on the monopolistic Fish Market. Vessels of the FRA continue to lie idle at their moorings, while millions throughout the nation are in want of food.

These FRA vessels definitely could be put to two most important uses: 1) To reduce the price of fish in Shanghai and other major coastal cities, 2) To help feed the nation's hungry throughout the country.

How these two problems are being handled is quite evident, for the government has not lifted one finger to make greater use of the FRA's motor-driven fishing vessels. Instead the government has "twiddled its thumbs" and allows the Shanghai Fish Market to continue to dominate the fishing industry—at a huge profit to itself and to the detriment of the nation as a whole.

Concerning the situation in Shanghai, the government has recently announced a plan to enforce limited food rationing in this city and other major cities of the country. Surely some connection between this plan and the FRA should be quite clear. What need is there for the government to import more food to the city in order to ration it, when there are millions of catties of fish which could be caught monthly for distribution in the city? Unlike other foods, fish can be dried and preserved for use the year round. The government need merely take initiative to order the FRA vessels.

On a nationwide scale, the government could become the purchasing agent for all of the FRA supply of fish and then could distribute it throughout the nation. The burden of the underpaid civil servants could be made lighter, for example, if fish were sold to them at the prices they cost when caught. Preserved fish, if rushed to famine areas, could prevent many diseases caused by the lack of vitamin-rich foods.

It is particularly ironic that, while the nation faces an ever growing shortage of food, an entire fleet of the most modern, motor-driven fishing vessels should be allowed to stand idle. Only a handful of these vessels is needed to meet the Fish Market's monthly quota of 500,000 catties. The rest lie idle—while millions would be grateful for the fish they could bring in.

What is particularly irritating is the fact that a small group of private operators are monopolizing fishing off the coast. Instead of being told to get out and haul in as many fish as possible to fill the empty bowls of China's millions, the FRA has been told in no uncertain terms that it must respect the quota of 500,000 catties imporsed by the Fish Market.

The entire case is one of sacrificing the needs of the many to the profit of the few—a policy which has become increasingly apparent and in direct contrast to the needs of the people and to the principles embodied in the UNRRA charter.

The time has arrived for some frank talk. If the Chinese government will not make full use of these vessels donated by UNRRA, then it should give them up to some other country which will. Merely to keep the vessels tied up at their moorings will help no one.

VITAMIN-STARVED.

Shanghai,
January 3, 1948.

NOTICE

WE wish to advise our subscribers that airmail postage rates were doubled as of January 1, 1948. This change will not affect current subscribers of the *Review*. However, in the event of future postal increases, we shall be forced to shorten each subscription by as many copies of the *Review* as is necessary to meet the increased expense of postage.—*EDITOR.*

Editorial Shock

To The Editor:

In your editorial columns for the January 3 issue of the *Review* there is an editorial entitled "US Bipartisan Policy Threatened."

It seems, from this editorial, that you are quite alarmed at the thought of anything being done which might cause a split in our present bipartisan foreign policy. You claim that the possession of this sort of policy not only is one of the most important developments in American history but also it enables the US to go into international negotations with a solid backing. In addition, you go on to say, it allows "the putting of American foreign policy into the hands of experts, which is where we think it belongs."

I must say that as you put it, all this sounds quite clear cut and impressive but I fear that you have failed to delve into just what bipartisan policy as it exists in America actually is.

It seems to me that quite a case could be made for an indictment of American bipartisan foreign policy merely from reading through most of the issues of your magazine for the past year.

Is it not this very group of reactionary Republicans and right-wing Democrats which is in complete accord on basic foreign policy? The New Deal has long been set in its grave by the clasping of hands between these two groups. Senator Vandenberg, an isolationist before the war, is now one of our "elder statesmen." Is not this putting of American foreign policy into the hands of these "bipartisan" experts the reason for America going along hand in glove with every "anti-communist" regime in the world? These experts are the ones who have seen fit to get into the Greek fiasco and, judging from reports, can't get out now even if they were so inclined. As for China, your past issues speak more elequently than I could in condemning this august body of bipartisan experts. Of course, people like Judd, Dewey and Luce don't see eye to eye on China. Whether it be disagreement over the degree of "aid" to the Nationalists or whether it be for 1948 election purposes, the overall picture for American policy throughout the world finds these people uncomplaining. Are we not well on the way towards Luce's "American Century?"

This bloc now in control of American foreign affairs, and which you feel it would be unwise to break up, is so entrenched in power that even recent dispatches dealing with the possibility of getting that champion of the people, General Franco, in under the Marshall Plan fail to astonish anybody.

With reference to Marshall you seem to be unable to see through the halo which has been so neatly placed around him by defenders of present American policy. It still seems a little naive to think that this "Gibraltar-like character" was as innocent as he has been made out to be during his China peace negotiations. It is a fact that at the very time he was endeavoring to settle the Civil War, American aid to the Nationalists was being given.

One point, which I believe is little mentioned in any discussion of our bipartisan foreign policy, is that never before in our history have the military had so great a voice in the foreign affairs of our nation. Yes, we do have a bipartisan foreign policy and with a vengeance. And it has been this very fact that has made Henry Wallace the political outcast that he is today.

How a publication which has seen fit to attack the various messes which our body of foreign experts has gotten us into can condone so simple an explanation of bipartisan policy as is contained in this editorial is quite puzzling. Yes, a bipartisan policy can be effective and to the people's best interests but it all depends on who are the "partisans."

PARTISAN.

Shanghai,
January 3, 1948.

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New Trends In The Civil War

RECENT developments in the military situation have caused considerable uneasiness and speculation. The time seems appropriate to make a general survey of the whole situation.

In Manchuria, in spite of sub-zero weather, Communist troops are stepping up their seventh offensive, reportedly with Mukden as their objective. Latest reports from the front indicate that several strategic centers on the perimeter of Mukden have fallen into Communist hands and the situation is extremely critical, if not hopeless. In response to an urgent appeal for help from General Chen Cheng, Chief of Staff and concurrently Commander-in-Chief of Government forces in Manchuria, air-borne troops are being rushed to Mukden in a desperate effort to meet the ever-increasing Communist threat.

Whether the Communists will put up a strong fight for the capture of Mukden remains to be seen. Competent military observers are inclined to think that under present circumstances the Communists are most likely to isolate Mukden, thus pinning down heavy Government garrison forces at scattered points and wiping them out separately, instead of running the risk of conducting frontal attacks at the cost of heavy sacrifices. Bearing this in mind we should have no difficulty in understanding why the Communists are renewing their highly destructive raids on the Peiping-Mukden Railway.

In North China, the fall of Shihchiachuang marked a turning point in the fighting between Government forces and Communist troops in Hopei—a turn unfavorable to the Government. The recent appointment of General Fu Tso-yi as Bandit-suppression Commander-in-Chief for the five provinces of Hopei, Jehol, Chahar, Suiyuan and Shansi indicates that Nanking, in view of the gravity of the situation, has made a belated effort to overhaul and unify the army command in North China in order to stem the rising Communist tide. But it will take time, several months at least, for General Fu Tso-yi to complete his reorganization of troops and carry out the much-heralded political mobilization, and before the Government troops are in a position to launch counter-offensives on a large scale. However, the Communists do not intend to give General Fu the required time. Instead, they want to steal a march on him. Latest reports state that the Communists are renewing their attacks against the Peiping-Suiyuan Railway and the Peiping-Baoting section of the Peiping-Hankow Railway.

The transfer, for the second time, of General Fu's troops to Mukden has intensified Communist activity in eastern Hopei, and the increasing Communist menace to the Peiping-Suiyuan and Peiping-Paoting Railways has upset General Fu's calculations. If the general has any plans for a counter-offensive, his time table will have to be revised.

In Central China, Liu Po-cheng's swift-moving Communist raiders were reported to have once again out-maneuvered the Government troops in a daring operation which brought them back into their old hide-out in the Tapiehshan regions on the Hupeh-Honan-Anhwei borders. Latest reports from the front indicate that once again Communist raiders are threatening shipping on the Yangtze between Hankow and Nanking and the field headquarters at Kiukiang of the Ministry of National Defence are making emergency arrangements. It is generally believed that Liu Po-cheng's latest maneuver might force General Pai Chung-hsi, head of the Central China command, to revise his campaign plans. Another disquieting rumor has it that the Reds are seeking to establish a base in western Hupeh as evidenced by the disruption of overland and water communications between Hankow and Ichang.

In Shantung, the Communists are reported to have resumed their offensive, with the result that Government troops have been forced to evacuate isolated places and concentrate at several ports on the coast.

* * *

SEVERAL outstanding features of the current military situation deserve attention. Initiative in the fighting, it would appear, has steadily slipped out of Government hands if we view the military situation as a whole. In Manchuria, in North China and in Central China, Government troops are standing on the defensive, while the Communists have been having a free time conducting their hit-and-fly raids. A *UP* story, dated December 15 from Tsinan, quoted a high Government military source as saying that the picture of the Government military position in North China is "gloomy" and "there is little hope for improvement without substantial outside help."

"The source, who must remain unnamed but who is in a position to speak with authority, said the Communist army has not only attained numerical equality with Government forces but possesses a greater striking power. In contrast with the optimistic picture painted by Government military spokesman in Nanking, the commanders who are doing the actual fighting in this area where some of the bitterest Kuomintang-Com-

"GETTING THERE FIRST"—A BRITISH LABOR PARTY VIEW

munist battles have taken place, have a distinctly pessimistic outlook. They said that the Communists' greater offensive power was based largely on the fact that the Government strategy was devoted to occupying, defending and reconstructing major cities, which tends to leave the initiative in the hands of the Red troops. The Government strategy was dictated primarily by political considerations and was unsound militarily, because it split Government forces into small garrisons. On the other hand, the Communists were not tied down to any fixed defense lines and were free to attack one Government-held point after another, which gives them numerical superiority in many battles. The Communist tactics of successive attacks on strong points with numerically superior forces have sapped Government morale."

There are growing indications that the operations of the Chinese Communists in different provinces are gradually being directed and based on a carefully worked out plan aiming at nationwide concerted action. From a strategic point of view the fighting in Central China and the seventh offensive in Manchuria are not isolated battles. On the contrary, they are closely linked up with each other. Liu Po-cheng is doing everything in his power to establish new bases of operation in Central China as a first step toward crossing over to the southern bank of the Yangtze River. It is only a question of time until the scattered fighting which is in progress in the various provinces will culminate in a nationwide showdown.

Side by side with the ever-increasing danger of Communist penetration into the provinces south of the Yangtze River, banditry in these provinces has reached alarming proportions. In South China, which is supposed to be the safest reconstruction base of the Government, the situation is reported to be pretty serious. Communications between Canton and other districts in the province have been virtually paralyzed. Bandits are overrunning the countryside. Several districts in Kwangtung and Kwangsi have already fallen into the hands of the bandits. A mixed brigade of Chinese and Annamite Communists is rumored to be marching on the city of Lungchou, Kwangsi. In Hunan, scattered bandit units have been operating for some time in the western part of the province. Latest press reports indicate that a Communist band has succeeded in penetrating into southern Hunan from Kiangsi. Roving bandit units are playing havoc in southern Kiangsi. In Yunnan, banditry is rampant in the south and southeast of the province, as it is in Szechuen also.

There is not a province south of the Yangtze River but has its banditry problem. A careful study of the situation will disclose that the bandits' activities are generally aimed at establishing bases of operations in the mountainous border districts between provinces. It is becoming more and more apparent that their destructive nuisance raids are based on a coordinated plan. The day seems not far distant when the bandits will present a serious threat to the preservation of law and order in the Government's rear.

What is particularly interesting and significant is the political aspect of the fighting. As has been pointed out by military analysts, Communist penetration into the Yangtze Valley is designed to increase and replenish their manpower and food supplies and strike more telling blows at the Government's tottering economy. It is still too early to judge how much the Reds have accomplished in this respect. But it is generally recognized that Liu Po-cheng's troops have been swelled by several brigades as the result of their hit-and-run attacks in Honan, Anhwei and Hupeh. According to qualified economic observers, the recent violent fluctuations in the market prices in Shanghai and Nanking were due in a large measure to the deterioration of the military situation in Central China. Under such circumstances it requires no specialist to see the inter-dependence of the military and economic factors.

* * *

TO SPEAK FRANKLY, the Nationalists' current military situation in this country is grave. According to Mr. Miles W. Vaughn, United Press Vice President for Asia, "it is the considered opinion of more than a score of leading Americans and Chinese, including the highest officials of the Chinese Government, that the immediate situation is dangerous. It may be desperate within four months. And it may be hopeless by mid-summer unless American aid comes before that time." Therefore China must have extensive military assistance from the United States in the near future if Manchuria and parts of North China are to be saved from long-term Communist control, the leaders stressed.

However, in view of the fact that emergency aid for China was not approved by Congress without drastic revision and much bargaining between the House and the Senate, it is highly doubtful that the United States Government will take prompt action on extending extensive military assistance to Nanking in defiance of strong opposition on the part of Congress, the majority of the press and the American people.

As we have pointed out on previous occasions, the complex China problem is essentially a political

one. Many people are inclined to think of the fighting in China in terms of arms and ammunition, as if the final outcome of the war depended entirely upon military force. But past experience has proved them wrong. In spite of this, the military aspect of the problem is still being played up as the only way out of the present deadlock. It is indeed regrettable that these people should have failed to learn any lesson from history.

American Imperialism???

IMPERIALISM—The policy, or advocacy of seeking, or acquiescing in, the extension of the control, dominion, or empire of a nation.—Webster's New International Dictionary.

ARE Americans "imperialist butchers" and "invaders" on the soil of China, as Communist propaganda maintains?

Or are they good-hearted people who are trying to help China recover from the war and escape a bad fate under Communism, as most of them seem to believe?

American imperialism has become a burning issue in China today. It is also a very confused one. Americans here think they are doing one thing, Chinese Communists propaganda says they are doing something totally different, and the gap between the two seems impossible to bridge.

We suspect that most educated non-Communist Chinese have their own opinions on the subject, and that these lie somewhere between the two poles mentioned above. We should like to repeat here a few of the Communists' more extreme statements about American policy and to describe the American point of view as we understand it. We expect that our readers will have something to say as well, and we invite them to do so. We think this is an important problem in world relations—and the more light shed on it the better.

* * *

ONE recent Communist broadcast described how badly things had been going for Generalissimo Chiang Kai-shek and his American supporters. "The American imperialist aggression on the sacred soil of China," it continued, "is absolutely not to be relaxed. When the predicament of the Chiang gang becomes more precarious the greedy and miserly dollar imperialists raise more and more harsh terms day by day, using less and less money to bring the Chiang gang to sell more and more of the national sovereign rights."

Communist propaganda claimed that a recent article by William C. Bullitt in Life magazine—which urged America to spend $1,350,000,000 to drive the Communists out of China—was a bid to buy the Chinese people at $3 a head for use as cannon fodder against Soviet Russia. "Bullitt's proposal," the Communist radio added, "won immediate applause from Chiang Kai-shek, thus nakedly exposing both the butcher face of American imperialism and the servile countenance of the Chinese traitors."

Again: "When (Chiang) places China on the chopping-block for General Douglas McArthur or other American commanders, presidents and financial magnates, it is the Chinese people who are sacrificed, while Chiang and his four families shed no blood themselves."

Most recent American actions in China have one by one been interpreted in Communist propaganda as examples of imperialism.

A recent trip out here by Major-General Lowell W. Rooks of UNRRA, for instance, was described as "a means of preparing the next steps in the expansion of the strength of American finance capital in China."

Or take the U.S. Educational Foundation in China, which plans to use US$20,000,000 in credits gained by the surplus property deal of August, 1946, to finance various cultural exchanges—principally the enrollment of young Americans in Chinese universities. The Communists say it "presents the right of supervision of Chinese culture and education to American imperialism."

Many other examples, whether straight, distorted or falsified, have been used in a similar way. One persistent item that crops up in Communist broadcasts is a story that Generalissimo Chiang Kai-shek has sold America a number of military bases in return for aid. For instance: "While Lieutenant-General Albert C. Wedemeyer was in China, the Chiang gang sold United States imperialists eight military bases, one naval base, three air bases and three networks of bases."

These are just a few scraps of the material that issues constantly from the Communist radio in North Shensi. It is true that they represent the extreme of Communist statements, but it is not true that they are unique. Many

美式裝備・美式談話

The caption beneath the above cartoon reads: "American Equipment; Americanized Talk." From Hwa Shiang Pao.

more just like them could be printed here if space allowed.

* * *

IT'S impossible to say exactly what the average well-informed American thinks his country is up to in China. But we have talked to a great many of them and we think that in general they believe these facts to be true:

The center of United States world policy now is a showdown conflict that many Americans, rightly or wrongly, think is shaping up between themselves and Soviet Russia. Because of this it is good self-defense to support anti-Communist movements around Russia's border, especially where there is an active struggle between them and Communist movements. Such a struggle exists in China. The sources of Communist strength here are complicated and hard for any American to assess, but it is most likely that a victory of the Chinese Communists would serve the ends of Soviet expansion. Therefore the present Chinese Government should be supported if possible, especially since tradition makes this a normal thing to do (China and America were wartime allies, the Chinese Government is unquestionably recognized as legitimate throughout the world, etc.).

STORY WITHOUT WORDS

The above cartoon shows what four years (1944-1947) *have done to the average Chinese rice bowl.*

From Ta Chung Yieh Pao.

There are also other elements of America's traditional foreign policy that enter into it. America wants a peaceful and stable world —many Americans assume that one step toward achieving this would be to help the Chinese Government restore order here. America has always had a philanthropic attitude toward China in times of trouble—therefore relief and rehabilitation supplies should be sent here now and distributed as effectively as possible under the existing regime. America wants freedom to trade with other countries, but not by bludgeoning those countries into disastrous terms (American business men in Shanghai, for instance, believe that United States diplomacy is using far less pressure in obtaining favorable trade regulations for them here than it might).

However, the administrative weakness of the Chinese Government indicates that America should step in here and insist on a degree of supervision over the use of its resources in carrying out these various policies.

When Americans are told of some of the specific Communist charges listed earlier, they regard them as nonsense or as malicious lies. They don't believe General Rooks came out here to prepare the next steps in the expansion of American finance capital. They don't believe the U.S. Educational Foundation has the sinister intent the Communists attribute to it. They don't believe the stories about the deals for bases, which have never been supported by proof and have been denied by the authorities concerned.

* * *

WE believe there is considerable insincerity in the Communist propaganda. We believe the Communist leadership naturally wants to prevent America from helping its opponents in any way, and that it also sees the value in arousing the same nationalist sentiments against Chiang Kai-shek that it formerly aroused against Wang Ching-wei. But we imagine there is less insincerity than Americans think. There is probably a great deal of misunderstanding in the whole business. Possibly the Chinese view of American motives is obscured by what they see of American actions. Possibly Americans are so wrapped up in their own motives that they cannot realize what effect their actions produce. If any of our readers feel they can help clear these points up we hope they will do so.

Give Production A Boost

IF calculated at official exchange rates, commodity prices in China are high. If calculated at what we are told is paid for "black" foreign exchange they are comparatively low. Thus, something fundamental must be wrong with the prevailing economic system. But while most economists agree that the system should be altered they fail to agree upon the objects of such a change.

There is undoubtedly a tremendous pressure of "excess" purchasing power. People have funds but investment opportunities are lacking. They want their money to be safe. They want to lose nothing in substance. So they use their idle funds for speculative buying and selling. The Government may render speculation difficult in one or another field, but no government by mere police action can prohibit speculative trading in all fields of trade and finance.

Pressure of excess purchasing power can be countered by various deflation measures. Price control and rationing may force the people to keep money in banks whether they like it or not. But usually such remedies have proved to be helpful only in keeping the economic fever down, not in curing the patient. Among the few remedies that may bring about a cure, perhaps the safest is to offer excess purchasing power a genuine outlet by increasing the country's production.

The question is whether this can be done in China today. We believe it can.

While any increase in agricultural produc-

tion depends on political, rather than military developments, industrial production to a large extent depends on the availability of basic materials. Apparently this is not so at present, and with UNRRA shipments now almost out of the picture, supplies will probably decline rather than increase.

Obviously, the question of whether or not industrial production can be boosted is closely connected with another question, namely, whether the system of import restrictions can and will be altered. Businessmen have repeatedly asked why they are not given a chance to export certain products and to use the proceeds for importing certain raw and semi-finished materials. This might put them in a position not only to buy at a lower price but to make use of the tremendous difference between official and unofficial exchange rates. They would not be permitted to import luxuries of any kind. Their bartering activities would be restricted to essential industrial materials, which, at present, are comparatively short in supply and, therefore, expensive.

One may object that commodities imported on a similar basis by Government agencies are at least as high in price—on the local market—as those imported commercially. This certainly is true. But the chief reason, probably, is that the quantities imported have been too small. To mention one typical example: artificial silk yarn imported by the Central Trust during the first 10 months of the past year amounted to less than 313,000 kilograms and the total imports in that commodity to less than 465,000 kilograms; comparing these figures with the 6,000,000 and more kilograms imported in 1939, it needs no economist to grasp why rayon prices are ridiculously high in China and why textile men, therefore, are unable to produce sufficient consumer goods to impress the market.

With industrial production so closely connected with, and so much dependent on, imported basic materials, it is not unexpected that no improvement can be achieved as long as prevailing trade restrictions remain unaltered.

The pressure of excess purchasing power will continue as long as production is limited. Speculation in commodities will continue as long as the supply of essential industrial materials remains scarce.

To increase production, we believe the Goverment should give loyal business men a chance to buy cheap and to sell at the same prices smugglers receive for their cargoes. In other words, exports of certain commodities should be linked with imports of essential industrial materials. This would offer idle funds a legitimate chance, while at the same time it would be instrumental in increasing the supply and thus forcing prices down. Control of the scheme would be in the hands of the Government.

While such and similar suggestions have been forthcoming from various quarters we still wait for actual reforms. Like the quarters concerned, we believe that delay is foolish, whereas a step-by-step reform may go a long way in countering the pressure of idle funds.

25 Years Ago In The *Weekly Review Of The Far East*

January 6, 1923.

The Great Chance

THE *New York Sun* in commenting on the termination of the Shantung dispute and the withdrawal of Japanese military forces from the province, said: "...The Shantung treaty is Japan's answer to the charges of imperialism, an earnest of her desire for friendship and cooperation. The withdrawal constitutes a notable victory for American diplomacy, since not only was the treaty an outgrowth of the Washington conference, but its provisions are distinctly in step with the open door policy which for a quarter of a century this country has advocated in the East...Moreover, it gives to the Chinese the chance they pleaded for, a chance to make good as a nation, a chance to establish a strong central government, to straighten out their finances, to put down lawlessness, in short, a chance to enter the concert of Powers as a modern progressive, united people. But whether or not the Chinese are able to take full advantage of this opportunity, the Shantung settlement will go far toward smoothing out the most perplexing angles of the Far Eastern situation."

* * *

Acute Situation

THE foreign authorities in Peking submitted their claim *en bloc* for the repayment of foreign loans which have matured, at the Ministry of Foreign Affairs last week. The British, American, French and Japanese Ministers pointed out the necessity of strictly adhering to the terms of the contract governing the loans, and demanded the Customs surplus should not be appropriated for the redemption of the domestic bonds only, but should also be used for the repayment of foreign debts. The action of the foreign diplomats has created an acute situation in Peking.

10 Years Ago In *The China Weekly Review*

January 8, 1938.

"Sacred War"

JAPAN'S Premier, Prince Fumimaro Konoye, in his New Year's statement,...expressed the growing alarm of the Japanese nation over anti-Japanese sentiment which is spreading throughout the world...He hoped that other countries would not be carried away by misrepresentation of Japan's real intentions which were to save China from bolshevism. He charged that the Chinese Government, since the fall of Nanking, had become a weapon in the hands of the Communist Party. Finally he expressed the belief that if Japan succeeded in uprooting China's resistance that a "new China, prosperous and active, would be born." General Gen Sugiyama, War Minister, decried universal materialism and egotism which he believed were largely responsible for the failure of the world to understand Japan's "sacred war" which is being waged on China. He said that Japan's grave mission was to stabilize peace in the Orient, hence Japan must overcome unflinchingly every difficulty that might hinder the attainment of her aim.

* * *

Ford's Interests

INDIGNATION among Chinese circles in Hankow was exhibited following the report of the purchase of a million yen worth of Japanese "China Incident" bonds by Benjamin Kopf, manager of the Japan Ford Company, on Christmas Day... "I can not conceive that such action was taken as a result of pressure of the authorities in Japan where Ford has large interests," one Chinese official said. Nevertheless, "we know that American public opinion is almost 100 percent on our side," he said. "This news makes me think that perhaps the captains of industry favor Japan, which possibly provides a background for Washington's reluctance to make a sharp issue over the Panay Incident."

American Aid: To What Avail?

Chin Fung

(This article has been contributed by a Chinese economist now living in Hongkong.—EDITOR.)

AMERICANS advocating aid for China are divided roughly into two factions. The faction proposing unconditional aid is represented by Senator Vandenberg, William Bullitt, and Henry Luce. The other, supported by the US State Department, maintains that aid should be granted on the condition that "a reform of government" is effected, otherwise only a limited amount will be forthcoming to maintain the status quo.

Abandoning the pros and cons, it is first necessary to make a study of how much money is needed in China and the possible result of such support.

1). *Greece.* Not much more than one year after British troops entered Greece to support the Greek reactionaries in an endeavor to establish the present Greek monarchy, the British had spent £150,000,000 sterling which also included funds from UNRRA. For this period, the pound-dollar rate was about one to four, so that this sum is the equivalent of US$600,000,000.

Admitted Defeat

In the spring of this year, the British finally admitted their inability to fill the seeming bottomless pit and announced their willingness to withdraw from Greece. Thereupon, America proposed a plan to aid both Greece and Turkey. Since then, another US$300,000,000 has been allocated to Greece, making a total of US$900,000,000 for that country. Moreover, cries for more aid are now being heard since the originally allotted sum has almost run out.

Almost US$1,000,000,000 has been spent in Greece, and what is the result? Even President Truman has openly admitted that conditions have not improved. Many people believe that they have worsened. We do not contend that these American dollars were spent for nothing. At least the Greek guerrillas have not yet seized the government, though quite recently they officially set up one of their own. With this in view how could an additional expenditure of US$300,000,000 be of much value in solving the Greek problem?

The Greek guerrillas, we are told, number only 5,000 as compared with a force of 120,000 which the Greek government can muster. In China, there are over 1,000,000 Communist soldiers, while the Nationalist Army numbers 5,000,000, including local forces. If two years of consistent aid to Greece consume US$900,000,000 then, proportionately speaking, how much more immense must be the need for American money in China, even if it should have no more effect than in Greece.

2). *Aid to China in the past.* According to an *AP* dispatch dated April 24, 1947, American aid to China during and after the war reached the figure of US$2,500,000,000. We know that during the war, the US granted loans of only US$500,000,000 and US$1,600,000,000 worth of Lend-lease goods, only a small portion of which was transferred to China before the end of the war. So it is possible to say that since V-J Day, American aid to China has been over US$2,000,000,000.

War Booty

It must also be noted that during this period, the National Government must have spent the US$900,000,000 and 6,000,000 ounces of gold, equivalent to US$360,000,000 which was handed over to T.V. Soong by H.H. Kung. In addition, war booty taken over from the Japanese and their puppets, including gold, silver, merchandise, factories, munitions, etc., were of considerable value, although the actual worth has not been made public. Except for a few factories that have been nationalized, such as the China Textile Reconstruction Corporation, the China Silk Co., and the Chung Hwa Tobacco Company, the war booty has all been sold. If the war booty were equal to US$500,000,000, the above mentioned three sources would aggregate US$1,760,000,000.

It should be remembered that the Nanking government's inflated currency has increased from CNC$700,000,000,000 to an estimated CNC$30,000,000,000,000 at present. Taking the average 1947 rate of CNC$20,000 to US$1, the excess balance of CNC$29,300,000,000,000 would equal another US$465,000,000.

The three items mentioned above all belong to regular revenue income and total over US$5,225,000,000. Thus, if America was to give full aid, she would have to spend two and one half times US$2,000,000,000.

All Out Aid

As is well known, during the past two years the salaries of civil servants and soldiers under the Nanking regime has been less than one-fifth the prewar level. Though a raise in salary would not be likely to wipe out corruption and promote efficiency, still it would be a beginning. Bullitt recommends a four-fold increase, so if America is to embark on an all-out aid program this item must be included in any estimate of the full cost.

3). *The present condition of the Nanking government.* It is estimated that the Chinese government system, including local governments, has 17,000,000 civil servants and soldiers which, when broken down, include: a) Central and Provincial civil servants—3,000,000. b) Civil servants in county governments and lower—9,000,000. c) 5,000,000 soldiers.

How much money is needed to support this vast army of public servants merely to maintain existing conditions? Estimated at the lowest table in terms of pre-war silver dollars (we calculate in terms of silver dollars, first, for stable value, secondly, for easier comparison, and thirdly, for reference for those who advocate a return to the silver standard), it would be as follows:

The Central and Provincial civil servants, on an average salary of $50 a month each, require $150,000,000 a month, or $1,800,000,000 a year. Adding 30 percent for other expenses (that is $540,000,000 a year), a total of $2,340,000,000 is reached.

The civil servants in county and municipal governments, averaging $80 per month, require $270,000,000 per month or $3,240,000,000 a year. Adding 60 percent for other expenses, including education and reconstruction, the annual total is $5,184,000,000.

Soldiers, on an average monthly salary of $20, require $100,000,000 a month or $1,200,000,000 per year. Adding 100 percent for uniforms and other expenses, the total is $2,400,000,000.

The total expenses then for the 17,000,000 government employees and soldiers, in terms of prewar silver dollars is $9,924,000,000.

Aid Estimate

Now that we have estimated expenses we can proceed to do the same with income. The former minus the latter is the figure for the amount of American aid that would be required.

We know that the income of the Nanking government is now less than 30 percent of its expenses. If the expenses are raised four times, the income would be 7.5 percent of the expenses. It must be pointed out that it is almost impossible to increase the financial income until communications, production and trade have all recovered their normal functions. This, of course, is not very likely until something resembling peace and unity comes about.

We have said that the Nanking government will hasten its disintegration if the salaries of civil servants and soldiers are not increased. Furthermore, if the conditions of public servants failed to improve after a change of money standard, the ensuing disillusionment would be great indeed, and similar to the reaction when the recent announcement of American aid to the tune of $300,000,000 caused despair and a

further devaluation in the National Currency.

One year's expenses of $9,924,000,000 minus the income, which is 7.5 percent of the expenses—$744,300,000—leaves a deficit of $9,179,700,000.

The above figures are all in prewar silver dollars, which were then convertible at the rate of three silver to one US. Commodity prices in the US have increased about 100 percent over their prewar level, and goods imported into China have risen even more than that. Therefore, converting to prewar silver dollars, the rate would now be one and one-half to one at the most. This is reasonable, considering that the value of the US dollar in China has been rising more slowly than commodity prices. For example, US dollars on the black market in Shanghai have risen 40,000 times over the prewar rate, while commodity prices have risen by 100,000 times. Calculating thus, the above-mentioned balance is roughly US$6,119,800,000—or for two years, US$12,239,000,000.

But the above estimate fails to include expenditures for the present Civil War. The $2,400,000,000 for military expenditures is slightly less than 26 percent of the total expenditures, but the actual figure should be in the vicinity of 70 to 80 percent of the total expenditure. This would add a few more billion to the two-year figure.

Total Puzzling

4). *Expansion of the Civil Service.* To many people, the immense total of government expenditures since the war is greatly puzzling.

The number of personnel working for the government at present is believed to be six times the prewar number. As for the local governments, two types of organization, hsien governments and pao governments, have been established under the provisions of the "New Local Government System." An average hsien has a population of about 200,000 and more than 40,000 families. A pao government is set up for every 100 families so that, on the average, every hsien has more than 400 pao governments and more than 40 hsiang governments. Thus the number of government organizations under the hsien governments has increased from 50 to 60 times the number prior to the war, while the number of public servants in these same local governments is more than 10 times as large.

Before the war, an army of 2,000,000 was maintained, while now, the army is two and one half times as large. Under such conditions it is no wonder that the government budget has increased almost five-fold.

The reasons for all this are quite clear. It was not until late in the war that the Nanking government realized the full significance of the inflation. They hung onto the skirts of Dr. Sun Yat-sen's "Currency Reform," taking his theory as a dogma and refusing to make any large scale changes in the national currency. Government officials openly declared that they considered the large issuance of paper money most reasonable, since all of the nation's wealth and the property of its citizens would serve as a reserve for the nation's currency. Thus they claimed that the issuing of more and more currency could support the war and that it would also serve as an inexhaustible supply of financial reserves.

Empty Dream

Ever since the Communists gained legal status and entered into competition with the Kuomintang in 1937, the latter's policy of party expansion has been to increase the number of public servants, who must become Kuomintang partisans in order to get appointments. Bullitt advocates that one-third of the officials and one-half the army be discharged. This is just an empty dream, revealing that Bullitt actually knows very little about the situation in China.

"PLUG THE HOLES"

Bishop in The St. Louis Star-Times

As the various cliques in the Kuomintang rushed to enlarge their own organizations they spent great sums of money on hiring large numbers of incompetent personnel who simply become party members at large salaries. Some leaders of the various cliques said that if they had not been taken into the KMT, they would have joined the Communists. Quite recently, KMT officials have stated that they allowed the Democratic Socialist Party and the Young China Party to join the government solely to keep them from joining the Communists. So, alongside the printing press inflation there has been a great increase in the number of government offices and a corresponding decrease in administrative efficiency.

Eliminate Corruption?

5). *Can corruption be eliminated and can efficiency be improved?* Theoretically speaking, the answers to these questions should be in the affirmative. But the elimination of corruption and an improvement in efficiency could only be achieved by the introduction of true democracy and progressive legislation and not by American supervision.

America has set up very strict and large-scale organizations to supervise the Greek government on the utilization of American aid. But to what avail?

Here in China there is also an example of a similar supervision. The Americans endeavored to regulate the relief and rehabilitation work, but what did they do about efficiency?

Historically speaking, no supervisory system can check well-organized corruption. In China, we can see that the supervisory organizations are always helpless when Government officials openly exploit the people. The technique of corruption has advanced while administrative efficiency has retrogressed. The Nanking government set up various kinds of supervisory organizations such as the Control Yuan, the Official Accounting Bureau and the People's Political Council, all of which are open and official. It also set up such secret organizations as the Bureau of Investigation and Statistics of the National Military Council and the Kuomintang Headquarters. The secret organizations are mainly for the purpose of clearing away Communists, but they are also in charge of eliminating corruption. But sadly enough, the complicated supervisory systems have become as extremely corrupt as the executive bodies. Supervisory officials employ their power with the object of sharing profits with the bureaucrats. It has become customary for an executive official to bribe the supervisory officials in order to cover up any corrupt dealings. The corruption cases which have been brought up have been chiefly due to clashes between cliques over the division of spoils. Under such circumstances, it is difficult to believe that Americans, who speak a different language and live a different kind of life, would be able to check the virus of corruption. The relations between UNRRA and CNRRA serve as a good example.

Basic Rights

Obviously, corruption will stand a chance of being eradicated only when the people have secured certain basic democratic rights and are thus equipped to resist exploitation. They must be able to accuse and remove corrupt officials. Such rights of the people can be achieved only after the feudal system under the control of the bureaucrats and landlords has been smashed. There must be a political revolution to accomplish this task. Only through this method can the government be reformed and efficiency improved. The spirit of

real service will not come into being until the people have truly become masters of their own country.

Increasing the salaries of public servants cannot eliminate corruption or improve efficiency. If the administration of the Nanking regime ever was efficient, it was at the time of the Northern Expedition. Since that time all revolutionary spirit has disappeared in the KMT and has been replaced by rampant corruption. The present state of corruption has so deeply poisoned the civil service that the present Administration has become far worse in this respect than even the Manchu Dynasty.

History affords few examples of a feudal administration eliminating the sort of corruption which is now to be found in this unhappy land.

Collapse Delayed

6). *Has the US achieved anything by its aid to China*? It is true that American aid has somewhat delayed the collapse of the Nanking government. But this aid has nothing to do with the advertised aim of promoting the welfare of the Chinese people and the cultivation of China's national strength. American aid can neither win the friendship of the Chinese people nor can it rescue the government from its final collapse. If the American government spends twice as much in China as it plans to spend in its European venture it will provide only the means for prolonging the Civil War and the suffering of the Chinese people.

One prominent American military figure, and an advocate of a full-scale Civil War in China, flew to Chungking not long after the Japanese surrender and gave high-ranking Chinese Army authorities his views on the military situation. He told them that in order to win an easy and inexpensive victory the United States should wage war as quickly as possible against the Soviet Union. He claimed that losses in American money and lives would be too great to bear should America wait until the Soviets manufacture their own atomic bomb. The news of this talk was published under the title "World War III" in *The Observatory*, a periodical under the influence of the Chinese Army. At that time, the peace talks between the Kuomintang and the Communists were going on and the Political Consultative Council was in preparation. As recently as last spring, General Pai Chung-hsi, Minister of National Defense, openly claimed in a speech to Legislative Yuan members that "as soon as the Republicans in the United States come into power that country will help us fight the Communists."

U.S. Encouragement

Facts have convinced us that without such American encouragement the Kuomintang government would never have dared to tear up the resolutions of the Political Consultative Council and enlarge the Civil War. So the Chinese people, who actually suffer from the war, naturally attribute its extension to the American government. The Chinese

Hibernation

—Reidford, in The Montreal Star

people have been told this truth, not by the Communists, but by the activities of the Americans themselves. The Americans thus have fostered nothing but anti-American feeling as a result of their handouts to the Kuomintang.

With the support of the American government, the reactionaries in the Kuomintang have redoubled their efforts to suppress the people, particularly the youth. The Nanking government has mercilessly suppressed the students who rise up to appeal for peace. The Kuomintang reactionaries always attribute the cause of workers' strikes, students' strikes, and even general social unrest to Communist agitation. They believe that by doing so they can avoid the responsibility of being brought to task for their crimes. The bloody suppressfon conducted last summer resulted in the flight to Communist areas of many students in North China. Indirectly, American supplies have helped the growth of Communist strength.

True Significance

The true significance of the nationwide student movement emerged after the exile of the Communists from government areas and after the banning of the Democratic League, The Kuomintang claimed that they had succeeded in discovering a number of "hidden Communist agitators." However, the majority of the people realized that the student movement was spontaneous. Is this not evidence that the Nanking government has become an enemy of Chinese youth? Looking back into Chinese history, any regime which suppressed the students and intellectuals by force was never able to avoid a final collapse no matter how much foreign support it received.

In industrial and commercial circles, American help has been welcomed only by the bureaucratic capitalists and financial monopolists who share American supplies with the government. The majority are opposed, for American loans and gifts mean the closing down of their factories and shops. As long as the war prevails they have not much hope for development and have to suffer under a bad government.

American help even fails to win the complete approval of the reactionaries. These people always blame America for the limited amounts of supplies and loans. In fact the reactionaries are the most anti-American. They will never accept any version of American liberalism.... Chiang Kai-shek's "China's Destiny" makes that point quite apparent. As for economy, the Kuomintang thinks along German lines. Only American capital which can be fitted in on these lines is welcome. The conflict which arose between Nanking and American officers in China pertaining to the repatriation of German Nazis was not without cause.

Apparently the professed aim of American policy in China has been to oppose the Soviet Union and communism, while simultaneously attempting to gain power of supervision over the present administration. Such a dream will not materialize, for even at the time of the Political Consultative Council the American government failed in this attempt. Neither will the dream of a "reformed government" be realized, as no individual, or group of individuals, will be able to change the existing situation by supporting the present regime.

Future Revenge

In the future, the American government may be compelled to give up the idea of government reform and be forced to concentrate on supervision. We should remind our American friends that "supervision" of this sort will only provoke future revenge.

Thus we must acknowledge that American help to the Nanking government will bring only further war destruction and anti-American feeling.

Assuredly the majority of Chinese welcome American aid in principle, but they want it to be granted when the nation is at peace. The aid must be a means of creating the reconstruction of China. No American aid which is an appendage of military or political designs is welcome.

After the establishment of peace, democracy and unity in China, American help in national reconstruction will be cordially welcome and appreciated. As for the present, the people have a deep hatred for the Civil War, which is causing such poverty and suffering. They ardently hope that America will stop the kind of aid China is receiving at present.

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London, 1947: Big Four Split

Jacques Decaux

(Special Correspondent, The China Weekly Review)

PARIS, Dec. 18.

WHEN the Foreign Ministers started for London, they had had many indications that things might not run smoothly, the most obvious being that their delegates had already reached a stalemate in prediscussions of the main problems. Nobody in the West retained much hope as to the outcome of the London meeting, the Ministers least of all. Mr. Marshall's attempt to tackle the problem of German peace was on economic grounds, since there was no hope of an agreement on the ideological or political issues. Whether or not such a peace is feasible remains to be seen, but there is no denying that the division between West and East on these last two vital planes will make the task of agreement on economic matters a difficult if not impossible one. West and East, each in his own camp, managed to act in such a way that in his own press the blame could be laid in the other's lap.

Let us attempt to examine some of the aspects of friction between Soviet Russia and the Western States, for to understand causes is the first step toward loss of fear, and loss of fear the first step toward rational, effective action and controlled cooperation.

Vacuums Exist

It is apparent from past history that when a vacuum exists, political or economic, it invites some manner of invasion from strong, neighboring places. The dictatorships in Japan and Germany were able to launch their imperialistic activities (wars, invasions) because, in the first instance, Japan was so close to weak, disorganized China, and, in the second, Germany was the only strong member of a weak, disorganized Europe, the product of the Versailles treaties. Other factors entered into these invasions, of course, such as Japan's ancient need to spread beyond her confining shores and Germany's "war economy" of the 1930s. But the vacuums which existed nearby were the undeniable incentive.

We have not called up the ghosts of the last war without cause, for it is apparent that this vacuum theory can be applied just as aptly to the present friction between Russia and the Western powers. Past meetings, from Yalta to the present London one and including actions in San Francisco, afford us examples. From secret Wilhelmstrasse papers collected by the Allies after the surrender, it appears that at all times the Soviet leaders bargained their positions to extract the greatest profit from both Germany and the US. Thus the late President Roosevelt was forced to agree to let Russia use the Middle European states at her convenience, since Russia's withdrawal from the war with Germany would have greatly weakened the Allies' strategic positions. When Roosevelt died at the war's end, whatever plans he had for carrying on his "unofficial treaties" with Russia died with him. Then Russian diplomats had before them a vacuum in the form of a lack of definite policy on the part of the US, a US which had emerged from the war as the strongest world power, but which lacked the experience to use this fact to her advantage. Russia was

Ladies, It's No Time to Argue

—Somerville, in The Denver Post

on the spot in Bulgaria, Rumania, Hungary and Yugoslavia. The vacuum existed, and in she stepped. Economically, the whole of Europe and the Far East was disrupted and poverty-stricken at the close of the war. The US, tired of footing war bills throughout the world, wanted a peace which would not be too big a burden to her taxpayers. This very understandable policy strengthened the Soviet position, for Communism has always flourished in the soil of economic disaster. By the time the US woke up to what had happened, Russia was once more in a position to do the bargaining, and US leaders had to act cautiously to keep Russia from quitting the United Nations. We are reminded of the Lytton inquiry into the Manchukuo affair, which came to nothing because of the fear of Japan's quitting the League of Nations. She just took her time, and quit anyway.

Position Strenghened

Now that the vacuum has done its work, it seems a bit late to start locking the barn door now that the horse has already been stolen. It is late because the USSR has had time to strengthen her positions in Middle Europe and the East to such an extent that she can only be expelled by force. The US is now following an active policy to strengthen Western Europe. But may it not cost an even greater amount of US dollars than is suspected in even the most pessimistic approximations?

And how much good will this lavish giving of food and dollars accomplish without a definite plan behind it which will ensure some sort of returns, in political goodwill or economic improvement, to the giver? Propagandizing for democracy is admittedly much more difficult than propagandizing for Communism, but it must be done somehow if the Marshall Plan is to amount to more than a throwing away of billions of US dollars.

Sequel Of Evils

What are the possibilities of eventual cooperation between Soviet Russia and the Western powers, through the UN or any other medium? No one seems to know, but many agree that the basis for such cooperation could exist only when all the countries outside the Soviet sphere become prosperous enough to attract those within it, and, ultimately, Russia herself. Then the vacuum would be on the other side. But the trouble is that the fear of Russian domination and communism provokes irrational rather than rational forces within democratic countries, with a sequel of weakening evils such as internal party fights, name-calling and hysteria. It must be remembered that public opinion in the USSR is no threat to Soviet leaders and cannot make them change courses, while in the US and elsewhere a confused, hysterical public opinion often influences the course of international statesmanship.

At the end and just after the war, there were great expectations of the possibility of setting up some sort of international government. Opposition was to be expected, yet certainly not to the extent of that which we have witnessed lately. Two or three years ago, power politics were to be outlawed from the society of nations; now, power politics seems to be the only method of dealing with the present deadlock. Yet what one man, or group of men, representing the Western nations would be capable of directing such a large scale movement? With Russia so strongly united an entity, she will come out victorious in every political battle with a divided western block in which the good of the whole is subordinated to national interests. Must we ourselves become totalitarian in order to escape Russian domination? We shall soon see what the new trend will be, and probably more clearly as it becomes less necessary to cloak unpalatable truths in highly moral slogans.

Vocational Training For Veterans

C. J. S.

NOT long after V-J Day, hundreds of thousands of demobilized army officers were sent to the Army Officers' Training Centers in different parts of the country to receive special training to enable them to engage in business. Those who were tired of army life or who had reached the age-limit of retirement were paid off. Bright young officers were admitted to the military academies for further training in order to qualify them for commissions in the new army. Those who were willing to retire to private life and engage in business were sent to different vocational training centers.

The Fishery Training Institution for Army Officers in Shanghai is one of the many vocational training centers. The institution has 873 veteran students under the command of Lt.-Gen. Chan Chun-san, who is an army man of long standing and was once the superior of Colonel Hsieh Chin-yuan, commander of the Lone Battalion in the Sino-Japanese War of 1932 in Shanghai.

Eight Departments

The institution has under it eight departments: fishery, engineering, signaling, management, fresh-water fish culture, salt-water fish culture, food manufacturing and daily necessities manufacturing. Candidates are required to pass physical and oral examinations before they are admitted.

The institution had only CNC$6,000,000,000 to start with, when it was formally established three months ago. All the instructors and lecturers are specialists in the field of fishery. In spite of their low salaries, they are intensely interested in their jobs. The students also are very attentive to their lessons and few of them cut classes.

The men who are now receiving training at the institution are said to be the most fortunate of government employees, because they will soon become producers and receive better salaries than any other civil servants.

However, the prospects are not as bright as that. Since they have no previous experience with fishing business or any "pull" with the existing fishing corporations, the students of the institution, after their graduation, will have to be detailed to the various fishing firms, private as well as government-owned, for employment. But as the situation stands today, there are not so many vacancies awaiting them. As a matter of fact, there is no positive guarantee that graduates from the institution will not join the mass army of the unemployed.

Despite the fact that they have received special vocational training and are perfectly qualified, many demobilized army officers are reported to have experienced considerable difficulty in obtaining employment and a large number of them are still in desperate straits looking for jobs of any kind to make a living. One army captain, for instance, after finishing his special communications training course, became a train conductor at a certain railway station.

One Vacancy

After graduation from the police training center in Canton, a lieutenant colonel was told to report at a district police bureau for service. He went as he was told only to find that there remained only one vacancy as a police inspector for him. He had to take it or walk out, at the risk of facing starvation. Hundreds of demobilized army officers who have been detailed to direct the labor service at different places have nothing to do. They are just fooling around and leading a wasted life. Three thousand disbanded army officers who were told to proceed to the northeastern provinces for work are still staying inside the Great Wall.

In fact, the plan of the government for training demobilized army officers for private business has failed thoroughly. It seems that the training program isn't worth the candle. It has wasted quite a lot of the Government's good money without helping the unfortunate retired army officers much. This is the reason why Lieutenant General Huang, dean of the Central Training Corps, openly told the students of the Fishery Training Institution that the Government would not make any further effort to turn army men into businessmen and that in the future there are only two courses open to demobilized army men: either to retire to private life on their own responsibility or to remain in the fighting service.

Future Uncertain

The students of the Fishery Training Institution are very much worried over their future. They simply don't know what there is in store for them after their graduation from the institution. As nowadays there are more jobless people than jobs, it is feared that many of the future graduates of the institution will have hard times ahead. In a speech delivered at the inauguration of the institution, General Huang sounded a warning: "Although the prospects of this Institution are very bright, what will actually happen in the long run still remains to be seen. Whether our hopes and our plans will eventually become realities all depends upon our exertion and the objective circumstances."

There is no telling what will become of the students of the institution after their graduation. They can only hope for the best and prepare for the worst, if they want to play safe.

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Two Families Of Batavia

Walter Briggs

(Walter Briggs is an American correspondent who has recently returned from Indonesia.)

PAPA and Mama Buytenhuys are a hard-working, peace-loving Dutch couple. They acquired their parental titles not through seniority, for they are only in their middle 30s, but as a result of the congenial care they take of a number of foreign correspondents at a press mess in Batavia. The only times they expressed irritation toward their wards was over the general inability to pronounce their name.

The Buytenhuyses are like any number of Dutch who have come to the Indies since World War II ended. They seriously desire to do the "right thing" by the Indonesians.

"Herman felt he had to do something about the situation here," Mama proudly relates. "He gave up the pension from 13 years of working in Holland to come out."

"We are idealists," Papa says with genuine humility. "We try to see and do what is best for the country."

Yet Papa and Mama and decent people like them supported shooting down Indonesians.

Why do they countenance it?

Active Workers

Papa is a civil engineer. Before the war and during its first years he helped build and maintain the Amsterdam sewage system. Toward the end of the war Mama kept watch several times while Papa hid under the floor to forestall the Germans from mustering him into a labor corps. Meanwhile, Mama worked actively helping the repressed Jews. Neither of them ate well; and their clothes and shoes were wearing out.

The Buytenhuyses have a son three years old also named Herman, but, after the correspondents came to their house, known almost exclusively as Blondie.

Papa, Mama and even Blondie have tried to understand this country. Mama says she and Papa ransacked Amsterdam libraries for books on the Indies "both for and against the Dutch." In his first 16 months and her first year in the Indies both learned Malay, the *lingua franca*. And Blondie speaks it even better than they, the Buytenhuyses boast.

Papa strongly criticized the remaining Dutch of the school which lorded it over the Indonesians in the past —the Old Hands of the Indies. He attempts to speak to many Indonesians while at his work—supervising airfield construction throughout the archipelago. Mama learns much from conversing with the servants; and makes trips to the villages with their family doctor.

For all their good intentions, two things impress Papa and Mama about the Indies: lamentably, the passing of the era when a Dutchman could make sufficient money to live luxuriously in the Indies and retire comfortably in Holland; and the righteousness of the Dutch cause, granting some pre-war iniquities.

The inflation and economic deterioration have especially affected Dutch like the Buytenhuyses (and there are a lot of them in the Indies), who live on a fixed salary. If it hadn't been for the rebellion, they say, life would be fine here. As it is, the Buytenhuyses have eaten up most of their savings.

The Buytenhuyses fully subscribe to the philosophy that any country's domination of another is morally wrong. They have had a taste of domination. Yet they, as many other well-meaning Dutch, are disinclined to view Dutch actions critically. Their knowledge of the Indies' economic importance to Holland, drummed into Dutch heads from childhood, colors their judgments.

Papa and Mama thus mouth quite seriously many of the colonial cliches which the British have largely discarded but to which the Dutch, like the French, cling desperately:

"These people are incapable of governing themselves."

"Except for a few extremists, they really like us."

"We're preparing them for independence, but it'll take some time."

"Look what we've done for this country!"

"We must protect the minorities."

"The Communists will take over."

And many more.

Hear Shoptalk

. . . However, the Buytenhuyses get something the other Dutch don't. They constantly must listen to the shoptalk of an unusually critical group of men; and often they are drawn into conversation.

These discussions with the correspondents may whet some of Papa's and Mama's arguments. Mainly however, they modify the family's views. The Buytenhuyses joined, for instance, in ridiculing one of the Dutch correspondents for writing an "expose" of Communism in Indonesia three days after arriving from Holland.

. . . Chicken eggs are almost impossible to obtain in Dutch-held Batavia. In Jogjakarta there are plenty. Returning from the Republican capital, I brought several dozen for our breakfasts.

Mama was supervising the frying of the eggs in the kitchen the next morning when she let out a whoop.

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She ran into the dining room with a pan. A chicken embryo had come out of one of the eggs.

"Look!" she scoffed. "Republican eggs!"

. . . Sometimes Mama and Papa penetrate their emotionalism and recognize the handwriting on imperialism's wall. Papa has signed a contract to remain here for 13 years. "But we often think ourselves," Mama confides, "that it may be only two or three."

* * *

DARPO is 26 years old, slim but well-knit, with bright eyes and a sensitive face. And is completely absorbed in his work. Except for his deep brown skin and Asiatic features (perhaps even in spite of them), you might reasonably expect to find him as an instructor on an American campus. His pretty wife Mien, 23, might pour at a faculty tea.

Darpo and Mien can talk intelligently in fluent English, Dutch or several Indonesian dialects about Hemingway, Mozart, Ingrid Bergman or the Marshall plan. They are gracious, well-mannered, good-humored—just the folks to make your dinner party run smoothly.

Yet Darpo and Mien are revolutionaries—like thousands more young Indonesians (like thousands of young Americans 175 years ago). Like their fellow Indonesians, except that this couple can read and write. Most of their countrymen have never had the chance to learn.

Called Extremists

Darpo and Mien are the kind of of people the Dutch call extremists. What makes nice people like Darpo and Mien become extremists?

Darpo (in full, Soedarpo Sastrosatomo) was born in Sumatra, one of nine children of a Javanese family. His father, a civil administrator, died when he was six. Darpo's mother took her brood to central Java, where her son eventually attended high school at Jogjakarta.

Darpo was studying at Batavia Medical University when the Indonesians welcomed in the Japanese. But Darpo and his classmates soon grew to dislike the Japanese as much as the Dutch. The new invaders made the students shave their heads and indulge in military drill. "The Japs' whole system aimed at repressing our individuality," he relates.

Eventually, the *Kempeitai* (the dreaded "thought control" police) grabbed him. For a month, slapped, live cigarettes ground into his skin, he fought against revealing the location of a secret radio. From it had come Allied news which he and his classmates had disseminated. Finally, the Japanese, giving up, released him.

Meanwhile, Sjahrir and Sjarifuddin had begun to organize the underground. "Also, they defined democracy for us," Darpo says, "and explained the Atlantic Charter. They drew up demands for the Dutch, prepared a program for self-government which they hoped would influence the Allies not to hand us back like inventoried stock. We prepared to fight the Japs from the rear when the Allies attacked."

Darpo was dispatched to the interior, where he became a key man in the underground's communication lines between Jdgjakarta and Bandung. "In Jogjakarta alone we'd enlisted about 20 highest-ranking officers of the Indonesian Independence Army (the Japanese-instituted puppet force) and the key men in nearly every administrative office," he says. "We were ready for business."

When the war's abrupt finish eliminated the underground's military plans, Darpo rushed to Batavia. Sjarifuddin, then Minister of Information, enlisted him to head the foreign section. He still is at it. And successfully. Correspondents regard him as one of the most forthright and capable Indonesians in Batavia.

Darpo said he has seen about 100 correspondents pass through the Indies' sieve. He had liked most of them: "At first we had a bunch we called 'Correspondents Looting Co., Unlimited.' Really rough. Now they come in three packages: the newsgetters, mostly agency boys, who look for headlines; the quiet, studious guys who try to get behind this thing; the playboys, who take what comes in news but prefer liquor and women."

Mien's father also was a civil administrator, of exceptionally high rank for an Indonesian. One day in December, 1945, Mien (actually Mienarsih), petite and winsome, wandered bubblingly into the information ministry looking for work. Like many young women in Asia's new era, she felt it was about time women did their part. She joined the staff of a Republican weekly. Working in the same business, it wasn't long before Darpo and Mien were thrown together. Their courtship consisted of political discussions, occasional movies and concerts, a lot of "social evenings."

Mien is her husband's right hand man. They are monitoring broadcasting from Jogjakarta at 1 a.m., are up again for more at 6 a.m., with perhaps snatches of sleep throughout the day. And they plan no rest.

"We're not worried about Indonesia's political future," Darpo says. "Freedom is assured. The big job will be the country's reconstruction."

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THROUGHOUT CHINA

China's Food Production In 1947

C. Y. W. Meng

ALTHOUGH China is by tradition an agricultural country, in the past she has never produced sufficient food to feed her own people. Even in pre-war years, according to an estimate compiled by the Legislative Yuan, the "Food Shortage" amounted to 23 percent. Therefore the present acute food situation is partly the result of long years of maladjustment between supply and demand. Our food problem is by no means a new problem to us, but is rather China's "Old Illness" and is one which has hitherto remained unremedied.

As pointed out by many economists, Chinese and foreign, in China there are too many people, not enough food, and not enough land. While the cultivated land in China has been overworked and overmanned, much of the cultivatable land still remains untouched and nonproductive. Overpopulation in relation to the available tillable land is China's fundamental problem.

Remarkable Steps

The present food situation is certainly serious enough. But in order to improve the situation and to reduce the shortage, China must do much more than merely institute a food rationing system as is now being planned. China must take more fundamental remedial steps at the same time, and must begin her task with: (1) The development and modernization of Chinese agriculture through the extensive use of improved seeds, new methods of cultivation, new fertilizers, control of insects and diseases, and the promotion of irrigation projects. (2) The increase of cultivated land by 40 to 50 percent through the extensive working of land which has hitherto remained untilled. (3) The improvement of rural finances through wider extension of farm credit facilities and the total renovation of the land tax system which is such a burden to the farmer. (4) The shifting of workers from agriculture to industry and the reduction of the present overwhelming farm population from over 70 percent to less than 50 percent in the next 20 years. Unless these steps are undertaken, the situation will not show much improvement in the near future.

Our food supply may be said to come from three sources: from our own production, from imports and from UNRRA.

(1) *Domestic Production:* According to a preliminary estimate compiled by the Central Agricultural Research Bureau of the Ministry of Agriculture and Forestry, which is based on the result of a study by crop reporters sent to various provinces in 1947, 22 provinces in China produced a total of 2,038,264,000 *shih piculs* (One *shih picul* is equivalent to 50 kgs.) of rice, wheat, millet, corn and six other principal crops. This amount represents an increase of 13,600,000 *shih piculs* compared with 1946 production, but a decrease of some 30,161,000 *shih piculs* compared with the pre-war seven-year average production. Details of the production in 1946 and 1947 are given in Table 1.

It will be seen that when 1947 production is compared with that in 1946, the increases (+) and decreases (—) in production are evenly divided, being four each. But when it is compared with the pre-war seven-year average production, there are three increases and five decreases.

Rice and wheat are two principal staple foods for the Chinese people. Tables 2 and 3 show our rice and wheat production in 1947 by provinces.

(2) *Food Imports:* Besides our own production, China has had to import rice, wheat and flour from abroad to feed her people. Table 4 below shows the importation of rice, wheat and flour in 1947, the amount of increase or decrease when compared with imports in 1946, the pre-war seven-year average imports, and the largest annual imports in the pre-war period.

Available figures for imports of rice, wheat and flour in 1947 cover only the period from January to August. However, for the purpose of facilitating the compilation of an estimate for the whole year, we first reach the average of eight months' imports, and then multiply this average by four so as to obtain the figures for September to December. The same process is also used in the compilation of an estimate of the supply from UNRRA which we will discuss presently.

Thus, imports of rice, wheat and flour represent a general decrease when compared with the pre-war seven-year average, and a still greater drop when compared with the annual figures for the pre-war period. In the case of wheat, the imports were almost nil.

Imported rice comes principally from Annam, Burma and Thailand, wheat from Canada, the Philippine Islands and America, and flour from America, Canada and Australia. Shanghai leads all other cities in the import of rice, wheat and flour, with Swatow ranking second, and Tientsin, third.

Third Source

(3) *Supply from UNRRA:* The third source of supply of rice, wheat and flour is UNRRA. In 1947, such imports amounted to 4,294,000 *shih piculs* of rice, representing an increase of 2,580,000 *shih piculs*, 1,107,000 *shih piculs*, of wheat, representing a decrease of 4,747,000 *shih piculs*, and 1,341,000 *shih piculs* of flour, representing a decrease of 681,000 *shih piculs*, as compared with 1946 imports.

Aside from these last two sources of food supply China might, of course, use part of the US$25,000,000 as provided in the recently concluded Sino-American Relief Agreement to buy food abroad. But such food could not reach China in 1947.

Total Supply In 1947

Therefore, as far as 1947 is concerned, no new source of food supply is likely to arrive in China. Combining the above sources a total of 911,807,000 *shih piculs* of rice and 493,959,000 *shih piculs* of wheat is reached for 1947, as shown in Table 5.

Compared with the pre-war seven-average of production and imports of 925,828,000 *shih piculs* of rice and 445,504,900 *shih piculs* of wheat, 1946 rice production and imports were 30,951,000 *shih piculs* below average, while wheat rose by 28,189,000 *shih piculs*. As for 1947

TABLE 1

Crop Production for 1946 and 1947

(Unit: 1,000 shih piculs)

Kind of Crop	Production in 1947	Compared with Production in 1946 (+) or (—)	Compared with Pre-war 7-yr. Production (+) or (—)	Percentage to Other Crop Production
Rice	905,155	+12,310	— 6,763	44.41
Wheat	492,850	+25,088	+ 57,992	24.13
Kaoliang	98,374	—10,597	— 41,945	4.82
Millet	132,257	—22,790	— 714	6.48
Corn	150,131	— 2,663	+ 20,183	7.36
Barley	138,088	+12,141	— 19,339	6.77
Soy beans ...	94,512	+ 5,456	— 27,343	32.53
Sweet Potatoes	487,687	—10,694	+117,183	92.50

rice production and imports decreased by 14,021,000 *shih piculs*, while wheat increased by 48,455,000 *shih piculs*. However, if the rice and wheat figures are combined, we find the change in production is not as great as the decrease, because the rise in production of wheat makes up for the decline in rice and the situation is balanced. In view of this, the food situation in China should not be as serious as it is today.

Now,let us study briefly the other side of the problem—the demand for food.

The latest census as announced by the Ministry of Interior reveals that China has a population of 455,900,648. Assuming that our production of rice, together with imports of rice, can be boosted to 1,000,000,000 *shih picul* mark, and that of wheat to 500,000,000 *shih picul* mark. Furthermore, assuming that the per capita demand for rice is 5 *shih piculs* a year, some Chinese economists calculate that such an amount of rice is sufficient to feed only some 200,000,000 people, and the above amount of wheat another 100,000,000. This leaves one-third of China's 450,000,000 *without* rice and wheat and depending almost solely on other subsidiary foodstuffs.

This analysis substantiates our early conclusion that a food shortage has already been in existence in China for a long time, and that it is not a new problem but an old illness of agricultural China.

The already deplorable food situation is much aggravated by several things. One is the destruction of farms brought about by the Civil War; another is the interruption of means of communications, when some cities, such as Peiping and Tientsin, are virtually isolated from others, and when the flow of food is made most difficult, if not impossible. Yet another reason is the small amount of food imports due to food shortages now prevailing in other parts in the world; and, finally there is the urgent and large demand for army food.

Heavy Demand

According to the current report, our army food comes from three sources; namely: (1) Collection of land tax in kind and "borrowing" of rice and wheat from farmers, (2) Purchase of a portion of land tax in kind originally allotted to provinces and *hsien*, and (3) Purchase of rice and wheat in the locality through "consultation" with the authorities, by the Central Government.

(1) *Collection of land tax in kind and "borrowing" of Rice and Wheat from farmers:* It may be recalled here that the enforcement of land tax in kind in the early part of the war was originally intended as a wartime financial emergency measure. After V-J Day, it was ordered suspended by the National Government. However, with the extention of the Civil War, both the collection of the tax and "borrowing" have again been resumed.

In 1947, a preliminary estimate revealed that, of a total of 61,604,000 *shih piculs* of rice, wheat and kaoliang collected, 22,934,000 *shih piculs* were allotted to the Central Government, and 22,134,000 *shih piculs* to the provinces and *hsien*. Table

TABLE 2

1947 Rice Production

(Unit: 1,000 shih piculs Area, 1,000 shih mow)

Province	Acreage Planted	Production	Average Harvest in %	% of Province's Production to Total Production
Szechuen	29,859	122,205	74	13.50
Kiangsu	29,462	115,302	75	12.73
Kwangtung	42,012	114,123	56	12.60
Hunan	25,028	103,067	75	11.38
Chekiang	26,493	88,389	73	9.76
Kiangsi	24,016	79,365	69	8.76
Kwangsi	21,013	55,546	59	6.13
Hupeh	16,492	54,181	69	5.97
Anhwei	13,008	53,293	79	5.88
Fukien	13,066	49,754	76	5.49
Yunnan	9,550	30,165	71	3.33
Kweichow	7,117	22,782	73	2.51
Honan	3,051	7,791	62	0.86
Hopei	2,923	5,349	59	0.57
Shensi	917	2,057	55	0.22
Shantung	1,010	828	60	0.09
Chahar	279	388	65	0.04
Ninghsia	120	131	70	0.01
Kansu	71	131	58	0.01
Shansi	186	108	46	0.01
Total	265,673	905,155		100.00
Average ...			69	

TABLE 3

1947 Wheat Production

(Unit: production, 1,000 shih piculs. Area, 1,000 shih mow)

Province	Acreage Planted	Production	Average Harvest in %	% of Province's Production to Total Production
Honan	63,596	89,034	58	18.06
Shantung	53,254	71,360	64	14.47
Szechuen	25,788	61,118	72	12.40
Kiangsu	26,450	49,197	74	9.98
Hupeh	18,875	33,598	68	6.81
Shensi	20,178	26,030	54	5.28
Anhwei	16,044	24,066	65	4.88
Chekiang	13,028	20,063	73	4.07
Hopei	19,393	19,587	48	3.97
Shansi	18,307	12,815	40	2.90
Fukien	8,690	12,166	67	2.48
Kansu	9,272	10,199	57	2.06
Hunan	6,062	10,124	72	2.05
Kweichow	4,484	9,327	67	1.89
Kiangsi	6,291	9,185	69	1.86
Yunnan	5,921	8,941	58	1.80
Kwangsi	5,822	7,743	60	1.57
Kwangtung	4,538	5,219	61	1.05
Chahar	3,305	4,759	76	0.96
Chinghai	2,327	4,026	82	0.81
Suiyuan	3,403	3,845	65	0.78
Ninghsia	380	448	63	0.09
Total	335,408	492,850		100.00
Average ...			62	

TABLE 4

1946-1947 Rice, Wheat And Flour Imports

(Unit: 1,000 shih piculs)

Kind of Food	Imports in 1947	Compared with Imports in 1946 (+) or (—)	Compared with Pre-war 7-yr. Average Imports (+) or (—)	Compared with Pre-war Largest Annual Imports (+) or (—)
Rice	2,358	+ 2,040	— 11,552	—20,129 (1932)
Wheat	2	— 75	— 10,644	—22,771 (1931)
Flour	2,349	+ 1,490	— 96	— 9,541 (1929)

6 below shows the details of the collection of land tax in kind and the "borrowing" of rice and wheat from farmers by locality.

(2) *Purchase of a portion of land tax in kind allotted to provinces and hsien:* So far as the official stipulation is concerned, 30 percent of land tax in kind is to be allotted to the Central Government, and 70 percent to the provinces and *hsien*. In the case of a special municipality under the direct jurisdiction of the Executive Yuan, 40 percent will be allotted to the Central Government, and 60 percent to the municipality. As to the "borrowing" of rice and wheat, it is to be allotted to the Central Government in entirety, but the Central Government usually resorts to the purchase of a portion of land tax in kind allotted to the provinces and *hsien*.

(3) *Purchase of rice and wheat through "consultation" with local authorities:* Furthermore, the Central Government can also buy rice and wheat in the locality through "Consultation" with the local authorities.

Table 7 shows the total amount of rice and wheat received by the Central Government in 1947 from the collection of land tax in kind and "borrowing," the purchase of a portion of land tax in kind originally allotted to the provinces *hsien*, and the purchase of rice and wheat in the locality through "consultation" with the local authorities.

From the above, it will be seen that in the year under review, the Central Government has received a total of 33,336,000 *shih piculs* of rice and wheat, 60.09 percent of this from the collection of land tax in kind and "borrowing," 17.40 percent from purchases of a portion of land tax in kind in the provinces and *hsien*, and 22.49 percent from other purchases through "consultation" with the local authorities.

The Chinese "Food Fiscal Year" begins on October 1 and ends on September 31 the next year. For the present fiscal year (October 1, 1947 to September 31, 1948), it is reported that at least a total of CN$5,000,000,000,000 will be required, four-fifths for the purchase and one-fifth for packing and transhipment cost. Out of this total, it is said at least CN$3,000,000,000,000 will have been spent in 1947.

The price of rice and wheat, as offered by the Central Government in its purchases, is usually very low. The usual way to straighten out such cases is that the "deficit" incurred by the provinces and *hsien*, is covered by the usual subsidies granted by the Central Government to the provinces and *hsien* concerned.

At present no one knows the details of the Chinese army consumption, though we do know that China has the *largest* standing army in the world. Assuming that China has an army of 5,000,000 men, and, furthermore, assuming that the per capita demand for rice is eight *shih piculs* a year, it means no less than 40,000,000 *shih piculs* a year are required to support the army. To this we must add another 10 percent for waste, thus making a total of 44,000,000

TABLE 6

1947 Grain Allotment

(Unit: 1,000 shih piculs)

Locality	Kind of Crop	Tax in King & "Borrowing" Allotments	Estimate of Possible Collection in Percent	Amount for Central Government	Amount for Province & Hsien	Amount for Deduction
Szechuen	Rice	9,000	90.00	5,265	2,835	300
Hunan	,,	6,530	65.00	2,252	1,992	360
Anhwei	,,	4,950	65.00	1,716	1,501	100
Chekiang	,,	4,725	65.00	1,638	1,433	—
Kiangsu	,,	4,550	70.00	1,699	1,486	—
Kiangsi	,,	4,500	80.00	2,088	1,512	—
Hupeh	,,	4,400	55.00	1,265	1,155	—
Kwangtung	,,	3,100	50.00	675	875	300
Kwangsi	,,	2,500	65.00	715	910	345
Taiwan	,,	2,190	100.00	—	2,190	—
Yunnan	,,	1,825	75.00	618	750	—
Fukien	,,	1,800	75.00	825	525	60
Kweichow	,,	1,000	95.00	418	532	—
Sikang	,,	300	65.00	127	68	—
Shanghai	,,	145	90.00	91	39	—
Nanking	,,	24	90.00	15	6	—
Chungking	,,	20	70.00	10	4	—
Total:	,,	51,559	—	19,417	17,813	1,465
Average:	,,	—	74.41	—	—	—
Shensi	Wheat	2,400	70.00	1,092	588	—
Honan	,,	1,800	70.00	770	490	—
Sinkiang	,,	1,500	60.00	270	630	—
Kansu	,,	750	90.00	439	236	—
Shensi	,,	541	100.00	352	189	—
Hopei	,,	270	65.00	84	91	—
Ninghsia	,,	225	100.00	120	105	—
Shantung	,,	180	60.00	58	50	—
Suiyuan	,,	160	85.00	65	71	—
Chahar	,,	160	80.00	63	65	—
Jehol	,,	160	65.00	31	73	—
Chinghai	,,	70	100.00	45	25	—
Tsingtao	,,	19	90.00	12	5	—
Peiping	,,	8	100.00	6	2	—
Tientsin	,,	2	90.00	1	—	—
Total:	,,	8,245	—	3,408	2,620	—
Average:	,,	—	81.66	—	—	—
Northeast (Manchuria) Kaoliang		1,800	—	109	1,701	—
Grand Total:		61,604	—	22,934	22,134	1,465

TABLE 5

1946-1947 Rice And Wheat Imports

(Unit: 1,000 shih piculs)

	1946				1947			
	Production (1)	Total Imports (2)	Total (1) (2)	% of Imports to Total	Production (1)	Total Imports (2)	Total (1) (2)	% of Imports in Total
Rice	892,845	2,032	894,877	0.22	905,155	6,652	911,807	0.72
Wheat	467,762	5,931	473,693	1.25	492,850	1,109	493,959	0.22

(Total Imports cover general imports of rice, wheat and flour including UNRRA shipments.)

shih piculs. By the standing army we mean the regular army only, and we do not include local militia and the so-called "Peace Preservation Corps" which also need rice and wheat.

But, as shown in the above, through collection and purchase, the Central Government can obtain only some 33,336,000 *shih piculs* of rice and wheat this year, leaving a shortage of 11,000,000 *shih piculs* which the Central Government must buy from various sources, domestic as well as foreign.

New Allotments

For the present, most of the Chinese forces are heavily concentrated in China's Northeast (Manchuria) and North. There is no doubt that the local supply of rice and wheat is inadequate to meet the needs. The Chinese authorities are now purchasing rice from Szechuen, Hunan, Kiangsi, Hupeh, Anhwei, Taiwan and Chekiang. These rice-producing provinces have been called upon to fill the following new allotments: "local allotment" to supply rice for armies stationed in the locality, and "outport allotment" to supply rice for armies stationed in other places. These new allotments are reported to have brought in some 20,055,000 *shih piculs* of rice. Table 8 shows them in detail.

Besides army food, the Central Government has also to supply government employees and teachers with rice and wheat. To mention only four cities: Nanking needs 25,100 *shih piculs* of rice and 26,152 bags of flour; Shanghai, 32,510 *shih piculs* of rice and 7,559 bags of flour; and Peiping and Tientsin, 150,000 bags of flour.

TABLE 7
Grain Received by Central Government

(Unit: 1,000 shih piculs)

Locality	Kind of Crop	Collection from Tax in Kind & "Borrowing"	Purchase of Land Tax Allotted to Province & *Hsien*	Purchase through "Consultation"	Total
Szechuen	Rice	5,325	—	—	5,325
Hunan	„	1,891	700	1,000	3,591
Kiangsi	„	1,898	—	1,000	2,898
Kiangsu	„	1,456	1,200	—	2,656
Hupeh	„	1,138	700	500	2,338
Anhwei	„	1,519	800	—	2,319
Taiwan	„	—	—	1,880	1,880
Chekiang	„	1,404	300	—	1,704
Fukien	„	637	—	—	637
Kwangtung	„	425	—	—	425
Yunnan	„	371	—	—	371
Sikang	„	112	30	120	262
Kwangsi	„	260	—	—	260
Kweichow	„	209	—	—	209
Total:	Rice	16,645	3,730	4,500	24,875
Shensi	Wheat	1,092	588	300	1,980
Honan	„	770	300	600	1,670
Shansi	„	352	189	600	1,141
Sinkiang	„	270	630	—	900
Kansu	„	438	—	400	838
Shantung	„	57	30	500	587
Suiyuan	„	65	71	250	386
Chahar	„	65	71	250	386
Hopei	„	84	70	100	254
Ninghsia	„	120	25	—	145
Jehol	„	31	73	—	104
Chinghai	„	45	25	—	70
Total:	Wheat ..	3,389	2,072	3,000	8,461
Grand Total	....	20,034	5,802	7,500	33,336

TABLE 8
Local and Outport Allotments

(Unit: 1,000 shih piculs)

Province	Local Allotment (1)	Outport Allotment (2)	Total (1)	Total (2)
Szechuen	1,983	3,387	5,325	
Hunan	608	2,983	3,591	
Kiangsi	190	2,708	2,898	
Hupeh	988	1,350	2,338	
Anhwei	836	1,483	2,319	
Taiwan	418	1,462	1,880	
Chekiang	342	1,362	1,704	
Total	5,320	14,735	20,055	

As has already been pointed out, the Central Government is permitted to purchase a portion of land tax in kind usually allotted to the provinces and *hsien*. But it happens that this portion of land tax forms the principal source of revenue of the local governments. These transactions have thus put local finances out of order. Although subsidies may be granted by the Central Government, they are small in amount and come too late to meet the needs. Therefore, the easiest and usual way out for the local government is to collect "surtax" on land tax.

In China, the various administrative units under *hsien*, such as *hsiang* and *pao*, usually have no definite sources of revenue. In case of need, they also resort to imposing various allotments and levies.

As a result, as has been well pointed out by some Chinese economists, "Everybody has now come to the rice producer for both rice and money." It is estimated that the various allotments and miscellaneous levies, added to the destruction caused by the war, are often many times greater than the collection of land tax in kind, "borrowing" and purchases by the Central Government.

Rice is the principal source of wealth to the Chinese farmers, and as such is usually prized more than anything else. But now the Chinese farmers find they have to pay their debts, rents, taxes, surtaxes and miscellaneous allotments and levies *all* in rice. The demand for their rice is far greater than they can produce. "Their limited production certainly cannot fill the bottomless hole," pointed out one Chinese observer. The result is that many Chinese farmers now have less rice for their own consumption, and still less rice to take to the market.

* * *

THE solution to our food problem is: (1) fundamentally, by developing and modernizing Chinese agriculture and by the extensive cultivation of all the uncultivated arable land in the country. (2) economically, by a total renovation of the land tax system, the clear demarcation between central and local finances, providing the local administrative units with definite sources of revenue, and by a rigid prohibition of the collection of various allotments and miscellaneous levies. (3) politically, by a reduction of the present huge standing army, seeking for quality rather than quantity, thus greatly reducing the army's demand for food which is a source of annoyance and detrimental to the nation.

In every province in China there are many acres of arable land which have hitherto remained unexploited. In this time of food shortage, this land should be quickly made *productive* through the promotion of a largescale and government-operated reclamation movement. When the supply of food from foreign sources is so limited, China has certainly to depend far more on her own production efforts than on food imports or supplies from any international organization.

The Japanese Textile Riddle

J. R. Kaim

IN its issue of January 3, the *Review* dealt with the planned US$60,000,000 loan to Japan's textile industries. The editorial also explained that Japanese textile goods are slowly but surely penetrating Indian and Egyptian markets, that textile shipments are growing substantially and that China's industry will have little chance to struggle against what is termed Japanese cut-throat competition. But by no means is China the only country to suffer from a policy that gives Japan splendid possibilities but the victors none.

In fact, during the third quarter of the past year, cotton cloth exports from Japan exceeded Lancashire shipments abroad for the first time since before the war. The respective figures need no further comment: in the three months from July to September, British shipments amounted to 145,900,000 square yards of fabric whereas Japanese exports aggregated 157,200,000 square yards. Apparently, Japan again is taking the lead.

While recorded Japanese textile shipments to China are still comparatively small, smuggled cargo was reported to have entered Chinese territory several months ago. While there has been no flooding of the market as yet, the fact is that prices of such smuggled goods were said to have been quite attractive. Reconquest of lost export territory usually starts with "attractive prices."

Advocates of a swift Japanese recovery might state that Japan's exports at present actually are trifling compared with pre-war shipments. Pre-war Japanese quarterly export averages were 600,000,000 square yards of cotton cloth, in addition to a further 100,000,000 square yards of rayon cloth, and to attain that figure again the Japanese may need quite some time. But if nothing is done, they certainly have a good chance of reaching the goal before other nations realize what is happening. If the US$60,000,000 loan does materialize with a view to providing Japanese mills with large quantities of raw cotton, all the Japanese will need to carry their piece goods throughout the world is a fleet of ships.

Sales of Japanese cloth produced from cotton supplied by the US Commodity Credit Corporation in July last amounted to 320,000,000 square yards, the entire supply of which could be exported. Out of this quantity, 65,000,000 square yards of grey cloth were bought by Britain to be converted and re-exported.

Thus, business went on quite nicely even before there was hope for a new huge cotton loan. So well, indeed, did the cotton revival plan work that representations were made in Washington, allegedly by the British, to ensure that the Japanese will not regain their former position by the use of unfair competitive methods. Washington is said to have replied that everything will be done to control both production and sales. But there are still doubts as to whether such controls will be effective once all sorts of financial and technical help is granted. For such aid is granted with a view to increasing textile production, and as home consumption is small and will remain limited for quite some time, over-production will have to be exported and offered at cheap prices.

Whether labor conditions have so fundamentally altered that the buying power of Japanese textile wages corresponds to that of wages in America or Britain is still an open question. Many observers doubt it. They believe that here in China over-

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head expenses are far higher than in Japanese mills.

Textile men in China, the United States, Britain, and Latin America are very much interested in but unable to obtain detailed surveys of labor costs in Japanese spinning and weaving mills today. They still remember how difficult it was, before the war, to obtain reliable figures on production costs, they also remember the skillful methods applied by Japanese textile manufacturers when their close co-operation with chemical producers, shipping and banking quarters were camouflaged. Whether such skillful methods cannot be applied today is a question not yet answered satisfactorily.

Like British manufacturers in Lancashire, Chinese textile men are certain that something is going wrong with Japan's industrial revival. They predict that after one more year, if conditions are not altered in the meantime, Japan again will be leading in the textile field. They are afraid that it will then be hopeless for Chinese, British and Latin American exporters to compete on markets, which prior to the Pacific War, Japan considered its domain. They request that something effective be done to avoid a repetition of sad pre-war experiences. They are not so shortsighted as to demand destruction of Japanese mills. All they want is genuine production control, i.e. control of labor conditions and wages, and the guarantee that no disguised trust co-operation has been or will be established.

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The Week's Business

A 50 percent surtax on the import tariff was announced by the Government and opposed by local trade groups. Exporters abroad, too, declared that an increase in duty would tend to limit exports to China. Other observers, less impressed by the Government's measure, however, tried to make it clear that import duties can have no great influence on prices in China, the fact being that duties represent only a very small item on the calculation sheet. Nor will higher duties tend to decrease imports as the latter are already restricted to such an extent that goods arriving now are only a small portion of the quantities in actual demand.

During the seven days ended Wednesday, January 7, foodstuff prices showed new increases with white rice reaching CNC$1,400,000 per picul.

While the market expected a new readjustment of foreign exchange rates by the middle of the week no such announcement had been made up to the time of writing and prices of Chinese export products again appear too high. Textile markets were particularly erratic and in spite of the Government's announcement that all sectors of the cotton market will soon be placed under special controls—raw cotton, yarns, fabrics—dealers continued to buy heavily and speculators continued to be very active on the yarn market. As can be grasped from the table below, prices of cotton yarn during the week under review gained around 20 percent, while raw silk prices advanced by around 17 percent.

Prices of imported commodities, too, went up remarkably with rayon imported from Japan by the Central Trust reaching the tremendous price of CNC$111,000,000 per case. While prices of raw silk are declining in the US and while New York circles say that Chinese silk is too expensive, silk prices here showed another spectacular gain when, on Wednesday last, medium-grade silk was offered for and sold at CNC$98,000,000 per bale.

In view of the American action to lower silk prices—with a view to pushing consumption of Japanese silk imported by Government agencies—the Central Trust in a special meeting last week decided that in future a major portion of raw silk will be used for manufacturing piece goods locally. The Trust plans to export such products instead of raw silk.

With idle funds continuing to arrive in Shanghai—in spite of the various controls imposed by the Central Bank, interest in stocks and bonds was particularly strong. During the period under review, representative local shares gained an average of 20 percent and bonds more than 50 percent.

The influx of idle funds also impressed the real estate market, where prices showed new increases although sales apparently have been limited. Simultaneously, interest of operators was again focussed on various sectors of the black market although a recent report from Hongkong indicated that according to an agreement between the Hongkong authorities and the Chinese Government, black market and smuggling activities will be confronted with quite considerable obstacles in the future.

News from Washington to the effect that the United States is now discussing a China-aid plan impressed local operators but failed to improve the general financial outlook. While quite a few observers had believed that this information would result in more confidence in the national currency, nothing of this kind could be observed during the past week.

On the contrary, while the Central Bank failed to announce new exchange rates, black quotations were reported to have gained considerably. Anticipating that the Central Bank would re-adjust its foreign exchange quotations, both dealers and manufacturers increased prices to an extent that rendered exports practically impossible.

Quite a few financiers, therefore, repeated their advice that the Government should drop its present foreign exchange control system, should continue to control imports, and see to it that importers adhere to regulations and exporters are given a fair chance.

However, as no such reforms appear to be contemplated, speculation during the first half of the past week increased rather than decreased and even the not much favored bond market saw gains no operator had foreseen. But all such gains appeared comparatively small when compared with what was going on in the various black markets which, dealers explained, impress the stock-commodity-bond markets far more than the official exchange policy.

Quotations

	Dec. 27	Jan. 7
	CNC$	CNC$
Stocks		
Wing On Textiles	536	655
Mayar Silk	900	1,355
Commercial Press	295	390
Wing On Co.	220	372,500
Ewo Cotton	420,000	485,000
Bond C	30,000	48,800

Commodities		
White Rice, fist	1,010,00	1,350,000
Wheat Flour	425,000	580,000
Peanut Oil	2,600,000	2,950,000
Raw Silk Co.	87,000,000	98,000,000
Jap. Rayon	82,000,000	111,000,000
Cotton Yarn 42	50,000,000	60,000,000
Cotton Yarn 20	31,800,000	36,200,000
Caustic Soda	43,500,000	51,000,000
Koo Pun Soap	1,070,000	1,450,000

The Review's English Lesson—XIII

AMERICAN AID TO OTHER COUNTRIES

BECAUSE there is great interest in China and other countries today in obtaining assistance from the United States, and because the manner in which that assistance comes to be finally rejected or approved by Congress often seems mysterious, we are presenting in this Lesson some expressions found in a newspaper article reporting the recent passage by the American Congress of an appropriation to several countries, including China.

This article is a news dispatch by the **United Press News Service** from Washington on December 19, 1947, and was printed in **The China Press**, in Shanghai, on December 21, 1947. The parts quoted below are only about one-fourth of the full article.

"Washington, Dec. 19—Congress today **rammed through** (1) final approval on an appropriation of $540,000,000 in **stopgap** (2) aid, including $18,000,000 for China, **in time to beat its adjournment deadline** (3).

"It voted $340,000,000 for U.S. occupation expenses in Japan, Korea, and Germany; $522,000,000 for France, Italy, and Austria; and **sidestepped** (4) a threatened **one-man** (5) anti-China **filibuster** (6) in the last hours of its emergency session.

"The final vote was jeopardized in the House when Representative Vito Marcantonio, only minor party member, **cut loose with** (7) a series of **parliamentary maneuvers** (8) designed to block the provision for aiding China.

"But he gave it up when it became clear that the members were willing to wait (to wait until the final deadline in order to vote individually), and the measure went through both chambers in a final burst of speed that sent the lawmakers hurrying for transportation home."

---

1. Forced through under high pressure.
2. Short-term, emergency.
3. Before the time fixed for adjournment should arrive. A "deadline" is usually a fixed time before which a certain action must be completed. In the case of the special session of Congress referred to here, the Congress itself had previously provided that all work must be finished by 7:00 p.m. on December 19th. No matter whether bills were passed or not, they had planned to adjourn by that time, so that all business still unfinished would have to be brought up again in another meeting—perhaps several months later.

In this expression the verb "to beat" means "to avoid", or "to win out over", or "to defeat", and it is used here in an abstract situation, but it can also be used in a concrete sense. The whole idea is that Congress won out in the race against its own time limit by passing the bill for the appropriation before the deadline.

4. "Purposely avoided" in the sense of stepping to one side or dodging.
5. Conducted by one man.
6. A filibuster is the use of organized tactics of obstruction in legislative bodies. It is the practice of deliberately taking advantage of freedom of debate (in the Senate of the American Congress) in order to delay the taking of action on a measure under discussion.

For students of democratic government, the filibuster in the American Congress is one of the most interesting practices of parliamentary procedure. It takes a different form in each house of Congress because the rules of order are different in each house. But basically the reason for the filibuster, i.e., for causing a delay, is the same in both houses. The idea is that if a delay is long enough, other members may become impatient and agree to withdraw or change their opposition against the action or the points to which the filibuster is directed. This would be especially true if the session of Congress were coming to a close by a fixed date, or if some other pertinent deadline or event had to be considered either within Congress or anywhere else in the world. Thus, while the filibuster itself may not be bad, it can be used in a wrong way very easily, and therefore, both houses of Congress use it and control it differently.

As this article points out, the recent appropriations bill was almost blocked when one Congressman threatened to keep it from being passed before the time for the closing of the session.

7. Hurriedly brought out.
8. Parliamentary tricks.

What U.S. Papers Say . . .

THE situation in China and the establishment of a "rebel" regime in Greece were copiously discussed in the American press last week.

* * *

China

THE *Indianapolis News* stressed the point that the Chinese must do something to help themselves before the United States can be expected to extend effective assistance.

"Until the Chinese themselves demonstrate, as the European democracies have, enough unselfishness to enable US assistance to be effective in their salvation, it is apparent that our efforts in aiding Nanking against the Communists can be little more than a holding action.

"It is all very well for Congress to appropriate US$18,000,000 more than the State Department had earmarked for China. It is all very well for the senators to elicit from General Wedemeyer the opinion that he favors giving aid to the government of Generalissimo Chiang Kai-shek. The senators might have gone on and asked General Wedemeyer how we would give and administer this aid so that it would not be totally wasted, as have all the millions which this country already has spent in subsidizing Chiang. That the mere appropriating of the money is of no avail in a land where neither the government nor the people is able to use it coherently, is demonstrated by the fact that Communism has thrived militarily and politically despite all the loans, grants and goods we have poured in there.

"A constructive answer to long-range aid to set up a democracy in China still must come from the Chinese themselves . . . We still cannot make headway against Communism there until a democracy is established in place of the greedy oligarchy which Chiang thus far has been unable or unwilling to liberalize.

"Our new assistance program should not only be thoroughly thought out but should be of a conditional nature. Its incentives to acceptance should be so substantial that Nanking could hardly refuse a reorganization which would give it popular support instead of driving liberals to Communism as it is now doing."

The *Christian Science Monitor* said: "The old year draws to a close in sad, disheartened China . . . Behind the mounting series of Communist victories and Nationalist defeats is another cleavage less apparent but no less disastrous. This is the cleavage between the people and the two governments which claim to represent them . . .

"Though the new Constitution guarantees civil liberties, the secret police system appears to have grown in strength lately, and liberal opponents of the Nanking regime have continued to 'disappear.' One of the most internationally respected Chinese scholars and statesmen, Dr. Hu Shih, declared recently that China can have no real democracy as long as the secret police continue.

"Moreover, from the very outset the new Constitution has been in a sense suspended since regulations have been adopted prolonging the status of the present government personnel and agencies for an indefinite period.

"Chinese liberals are likely to remember that in 1936 Russia, too, adopted a fine democratic Constitution guaranteeing civil rights, secret ballot, etc., yet somehow managed to remain a police state. The politically untutored Chinese masses can draw no such analogies; they only know that their troubles come from within as well as from outside their own government."

* * *

Greece

AMERICAN newspapers denounced the rebel government in Greece as a puppet regime. The *New York Times* said: "As a government, the new regime is a farce. It has been created at a time when winter impedes effective action against its mountain hideouts, and its very name of 'first provisional democratic government of free Greece' is a mockery. For it is neither a government, nor democratic, nor does it represent Greek freedom. On the contrary, proclaimed from alien soil, it is merely another, and a particularly hollow, puppet of the Communist International, which is itself merely one of Russia's foreign legions. It is a projected Communist dictatorship as ruthless as the Russian.

"For the United States, the Communist move creates a new urgency in the aid given Greece under the Truman Doctrine. That aid has thus far been of only limited effectiveness, largely because Congressional delay prevented military supplies from reaching Greece in time to permit an effective campaign against the guerrillas before the winter handicap. Since the aid extended to guerrillas by both Russia and her satellites must now be expected to increase, it is our responsibility to take measures to cope with the new situation."

The New York *PM* blamed the mess in Greece on the present Greek "ruling group." and advocated ousting the reactionaries from the Athens Government. "If this means interfering in the domestic affairs of Greece, then by all means let us interfere . . . Let us really interfere on the decent side and bluntly aid and abet the democrats and constructive elements. The Greek people will be eternally grateful.

"Having gotten into the Greek swamp, the American people will be asked soon to send in more money and perhaps even troops . . . all in the name of anti-Communism."

Who's Who in China

FOO PING-SHEUNG, Ambassador to the U.S.S.R. and member of the Central Executive Committee, Kuomintang; born at Nanhai, Kwangtung, Feb. 16, 1895; studied engineering at St. Stephen's

Foo Ping-sheung

（傅秉常）

School for four years; graduated with honors from Hongkong University with LLD degree, and was awarded the 1st Class Medal by London University; vice-engineer-in-chief of the Shanghai-Hangchow-Ningpo Railway; private secretary to the late Dr. Wu Ting-fang, 1917-18; chief of the Department of Printing and Government Gazette, Military Government, Canton, 1918; secretary to the Chinese Delegation to the Paris Peace Conference, 1919; superintendent of Customs and Commissioner of Foreign Affairs and concurrently acting civil administrator for Chungchow, 1920-21; Superintendent of Customs and Commissioner of Foreign Affairs for Kwangtung and secretary for Diplomatic Affairs to the Generalissimo's (Dr. Sun Yat-sen's) Headquarters, 1921-26; Director-General of Customs, 1927; member and chairman of the Foreign Relations Committee, chairman of Civil Codification Commission, and chairman of the Constitution Drafting Committee, Legislative Yuan; elected member of the Central Executive Committee, Kuomintang, 1935; vice-minister of Ministry of Foreign Affairs, 1942-43; delegate to the United Nations Conference, 1946; delegate to the Paris Peace Conference, 1946; Ambassador to the U.S.S.R. since 1943; address: Chinese Embassy, Moscow.

What Chinese Papers Say

WITH the close of the year 1947, editorial comment in Chinese newspapers centered around a general review of events of the past year and hopes for the future.

* * *

The Old Year

IN looking back upon 1947, the *Ta Kung Pao* wrote: "World peace is retreating farther and farther away. Although the violent storm of war is now over, yet mankind continues to live in misery and fails to see any sunlight at all. Looking through the kaleidoscope of 1947, one sees certain symmetrical equations. For instance, because of the existence of the Marshall Plan, there has come into being a Molotov Plan. Because of the existence of the "Communist Information Bureau," some people have proposed that a "Freedom Bureau" be created. To combat the dollar offensive there has come into play the wheat offensive. The conflicts in ideology and system between the East and the West have been sharpened with the passage of time.

"During 1947 there has been another kind of conflict which has been inherited from the last century. India and Burma have been able to obtain their freedom and conflict was therefore averted. However, fighting is still going on in Indo-China and Indonesia, where imperialistic ambitions have run counter to the trends of the times.

"There has been a third kind of conflict, which is religious and racial in character. Under the partition plan, Pakistan wants to be separated from the Hindus, and as a result, endless clashes have taken place in India, causing a great deal of bloodshed. Because the Arabs are unwilling to let the Jews have their independent homeland, there has been an orgy of terror in Palestine. The Union of South Africa and Australia have both discriminated against colored people.

"Finally, there have been two enemies which have declared war on mankind. One is hunger and shortages of commodities. Even the Americans who are the most fortune people, have to go without meat and fish on certain days each week. The other is the soaring of commodity prices. Even the world's greatest powers, the United States and the Soviet Union, have not been able to escape the effects of inflation.

"The present era has been brought about by the fact that material civilization has been unable to keep peace with spiritual civilization and there remains a great distance between the two. Today the world is full of materials and equipment which could be used for improving the welfare of mankind. If mankind is wise enough to make good use of the same, human happiness will be greatly enhanced.

"But the trouble is that today there is no great philosopher or great statesman who is qualified to serve as the Messiah of mankind. The death of President Franklin D. Roosevelt, is an irreparable loss. Unfortunately, the liberal views represented by men like Henry Wallace and Professor Laski are not yet strong enough.

The *Chung Yang Jih Pao* said: "Both the situation in China and the world situation have undergone considerable change. During this period of change, our nation is faced with a new crisis and also has a new hope.

"The so-called new crisis can be seen from all sides. During the past year the world situation has been such that the conflict between the democratic nations and the totalitarian nations has reached a critical point. The Moscow Conference, the second session of the United Nations Assembly, and the London Conference of the Council of Foreign Ministers failed in rapid succession to achieve any important results. The London Conference evidently resulted in a complete breakdown. So far no agreement has been reached on the Korean issue or the proposed Japanese peace conference. As the result of such a world situation, the crisis in China has reached a critical phase. The International United Army in the Northeast has launched three offensives. The Communist bandits in China, in order to help with the international intrigue in the northeast, have mobilized all their available manpower and material resources in an attempt to defeat the Government forces. Politically, this rebellion, which is in the nature of foreign aggression, has taken the form of an anti-Constitution movement and a provincial autonomy movement. Economically, defeatism has permeated industrial and business circles, which have been trying best to undermine the Government's emergency economic measures and economic policies.

"These small Red elements, who are backed by the Communist bandits, are bent on opening a second front behind the lines of the Government forces, and will not stop until the whole Chinese nation has been sold out. This is the new crisis with which China is now being faced.

"However, our nation has a new hope of being able to oppose and overcome this new crisis. Politically, the Constitution has been promulgated, the election laws have been made public and the basis of the National Government has been broadened. Furthermore, the new National Assembly has been elected and the new Constitution has already come into force.

"Economically, the emergency economic measures which the Government adopted are aimed at an early implementation of the Principle of the People's Livelihood. Diplomatically, no matter how hard the international plotters may work to drive a wedge between China and other nations, China is not isolated. The best proof of this is the traditional friendship between the United States and China. . .

"The new crisis facing China lies in the rebellion of the Communist bandits. China's new hope lies in the fact that the treason of the Communists and the dictatorship of the proletariat certainly will not be tolerated by the people who love their country and their freedom. . ."

* * *

The New Year

THE *Sin Wen Pao* stressed the importance of instituting political reforms and bringing about economic stability in 1948.

"This year, our main task will continue to be to concentrate all our national resources on bringing the bandit-suppression campaign to a successful conclusion. How can we make this campaign a success? It will depend upon political victories as well as military victories. If we do not work hard politically we shall be unable to quell the Communist rebellion. Political reforms naturally include strengthening of government structure and higher administrative efficiency. It is also absolutely necessary to enlist the support of the people so that the resources of the country may be mobilized. The winning of popular backing is particularly important. The reaction of the public to the general mobilization order has been one of indifference. It is a fact that the people seem to regard the bandit-suppression campaign as a business of the government. The people are dissatisfied, because the government has issued too many orders and decrees, some of which are not applicable to the actual conditions, so it is impossible for the people to obey these orders.

"The plan for collecting a special national reconstruction tax, which has already been drawn up and approved by the State Council, should be carried out at an early date.

"As regards the development of exports, if the Government is unable to place export trade under State operation, it had better introduce an import-export link system. The present system of maintaining an "open market rate of foreign exchange" is not beneficial to Chinese economy.

"The year 1948 will be an important turning point, for the world as well as for China. Whether or not China can step onto the road to happiness and prosperity, whether or not the bandit-suppression campaign can be brought to a successful conclusion will depend upon whether or not we can effect political reforms and stabilize economy."

NEW BOOKS OF INTEREST

Evil Influence

CARTELS IN ACTION. *Case Studies in International Business Diplomacy. By George W. Stocking and Myron W. Watkins (With the assistance of Alfred E. Kahn and Gertrude Oxenfeldt.) The Twentieth Century Fund, New York, 1946. 533 pages. Reviewed by J. R. Kaim.*

TWO articles on international cartel activities written by this reviewer have appeared in recent issues of the *Review*. In some respects they were based on general information. In other respects, *Cartels In Action* offered a huge variety of well documented facts.

In his Foreword, Mr. Evans Clark, Executive Director of the Twentieth Century Fund, explains the necessity of issuing a collection of material that would prove the evil influences of cartels and monopolies. He says: "During the war it became clear that the problems of monopoly—both national and international—which had been temporarily submerged under the urgent necessities of armed conflict, would rise up to plague the world again after the fighting stopped."

Now, indications are that they have already started "to plague the world again" and that what authors Stocking and Watkins describe is not only history but the fundament on which new post-war developments are based. Indeed, Stocking and Watkins make it clear that in spite of war and destruction the cartel idea is still as much alive as in 1939.

So tremendous is the material collected by Stocking and Watkins that a few minor errors certainly are of no importance. Defenders of international cartel agreements no doubt will pick out those little errors to "prove" that the book is lacking in exactness; nothing could be more ridiculous. To everyone seriously interested in the many evils and the few favorable consequences of cartel agreements, this book offers all the information needed. It shows how prices are forced up to ever new highs, how production is kept within artificial limits, and how the defenses of great nations suffer from agreements made by trusts upon the activities of which depends the countries' security. Business diplomacy and collective control in economic affairs—and all they stand for—cannot be shown more clearly or more forcefully than has been done in *Cartels In Action.*

Tolerance Needed

WORLD MINORITY PROBLEMS: *Public Affairs Pamphlet No. 132. By James G. Leyburn. Public Affairs Committee, 1947. 32 pages. U. S. 20 cents. Reviewed by F. M. Roberts.*

THE Public Affairs Committee of New York, organized in 1936, has had as its purpose placing accurate facts on current questions before the public. It makes available in inexpensive form the results of research on economic and social problems, without promoting any distinctive program of its own.

The current pamphlet, World Minority Problems, is an analysis of the world's racial, cultural, and national minorities and the problems connected with them. The author, Dr. Leyburn, Professor of Sociology at Yale University, sees "a definitely increasing awareness of minority problems, of the gap between our theory and practice."

The book takes up American minority problems, the special case of the Jews, national minorities in Europe, the policy of Soviet Russia, the South African, the Indian, the Latin American problems. Dr. Leyburn concluded that minority issues finally resolve themselves into a choice of three alternatives: 1. To regard people different from ourselves as inferior to us; 2. To merge the people of the world into one race and one culture; 3. To tolerate and respect differences. He advocates the last alternative as practicable and calls upon the United Nations, as well as individuals and groups, to combat racial and religious injustice through a marshaling of world opinion.

NOTICE

REVISION OF TELEPHONE TARIFFS

The Shanghai Municipal Government has approved the following revised telephone tariffs effective January 6, 1948:—

MONTHLY RATES:	*With Wall Type Tel. CN$*	*With Desk Type Tel. CN$*
Business line with allowance of 100 calls per month	240,000	264,000
Residence line with allowance of 60 calls per month	144,000	168,000
Extension station on same premises	80,000	104,000

Additional messages, in excess of monthly call allowances:

	CN$
Usage between 61 and 100 (residence), per call	2,400
Usage between 101 and 200 (business & residence), per call	2,400
Usage between 201 and 400 (business & residence), per call	4,000
Usage in excess of 400 (business & residence), per call	5,500

Note: The usage of subscribers with more than one line will be averaged so that full benefit of the allowance and of the above progressive scale of charges will be given in respect of each line.

Public Telephone Service, per call	5,000

Charges not included in the above table may be obtained by calling the Business Office of the Company.

When making calls from Public Paystations the public are asked to pay only the authorized tariff of CN$5,000 per call and to report to the Business Office of the Company any instances when a higher charge has been demanded.

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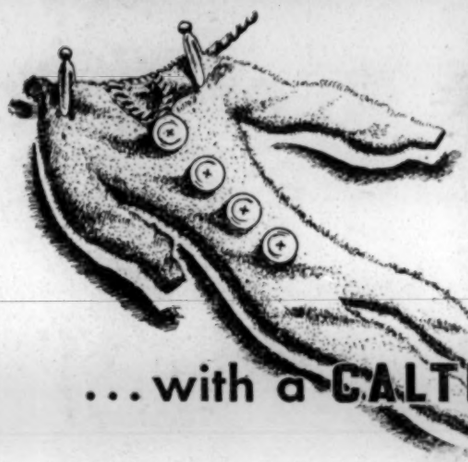
Aviation:—
Avi-gas, Avi-lubes and Aviation Specialties

Fuels:—
Diesel and Fuel Oils, Gasoline, Kerosene.

Process Products:—
Cosmetic and Insecticide Base Oils, Petroleum Alcohols, Naphtha Solvents, Wetting and Drying Agents, Microcrystalline and Paraffine Waxes and Enamels.



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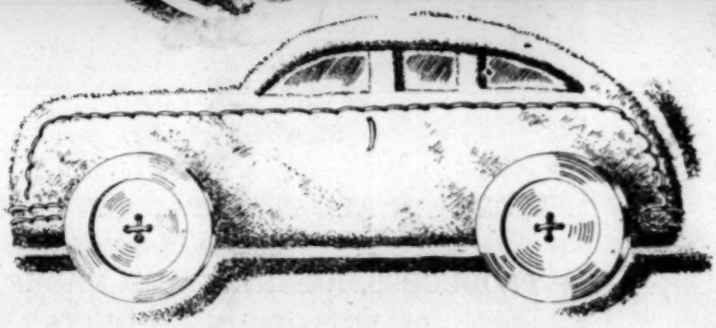

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